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Japan

Tokyo 'Likely' To Increase Share of USFJ Costs

OW2407122995 Tokyo TOKYO SHIMBUN in Japanese 21 Jul 95 Morning Edition p 1

[FBIS Translated Text] It was disclosed that, at negotiations between the Japanese and U.S. Governments on revision of a special accord regarding stationing expenses of U.S. Forces in Japan [USFJ], the United States is asking Japan to increase the items it buys for the USFJ to more than it is doing under the current accord. Several government sources disclosed this on 20 July.

What the United States is asking Japan to additionally shoulder is a part of the fuel expenses needed for USFJ training. To be specific, one item is the cost of fuel needed for carrier-borne aircraft landing exercises, which the USFJ moved from Atsugi Air Base to Iwo Jima to relieve Atsugi residents from noise pollution. Another is the cost of fuel needed when the U.S. Marine Corps moves its live-fire exercises on Camp Hansen, by closing Prefectural Highway 104, to a Self-Defense Forces [SDF] training ground in mainland Japan.

Currently, the government is studying how to respond to the request. However, by accepting a previous Japanese request, the USFJ agreed to move the sites of these exercises. Some government officials are saying that "we can agree to pay for the additional fuel cost that may arise as a result of the training sites' relocation," according to a government source. From this viewpoint, the government is leaning toward accepting the U.S. request.

It seems likely that the number of items whose costs are shouldered by Japan will increase under the new accord, which will take effect 1 April next year, and the amount of expenses Japan shoulders will increase accordingly. On the other hand, it is also expected that the Defense Agency [DA] may entertain great fear, saying that an increase in the USFJ's stationing costs will become a heavy burden on defense expenses and negatively impact on the SDF's main equipment budget. Differences in stance between the DA and the Foreign Affairs Ministry, which attaches importance to "smooth and effective application of the Japan-U.S. security system," will become apparent.

Both governments are negotiating for revision of the special accord because the current accord's five-year term will expire 31 March 1996.

Japan wants to reach an agreement with the United States by 31 August, if possible, so that the DA will have enough time before the deadline for making a rough fiscal 1996 budget request. Another reason is that a new accord will be signed at a Japan-U.S. security meeting (two-plus-two meeting), which is scheduled to be held in Washington in late September and will be attended by foreign and defense ministers of both countries. The Japanese Government plans to submit a new accord to an extraordinary Diet session, which will be called this fall, for approval so that it will become effective on 1 April 1996.

Tokyo Considering Reviewing Arms-Export Ban

OW2307123195 Tokyo SANKEI SHIMBUN in Japanese 11 Jul 95 Morning Edition p 3

[Article by reporter Keiichiro Nakashizuka: "The Argument For Reviewing the Three Principles Banning Weapons Exports Is Growing"]

[FBIS Translated Text] Moves to review the "three principles on arms exports," which prohibit Japan from exporting weapons abroad, are afoot. While the Federation of Economic Organizations of Japan [Keidanren] has asked the government to flexibly handle the three principles with an eye on Japan's exports to the United States of parts for the next-generation support fighter (FSX), which has been developed jointly by both Japan and the United States, the ruling Liberal Democratic Party [LDP) and the main opposition New Frontier Party [NFP] have begun examining the possibility of reviewing the three principles. It cannot be denied that the defense industry, which is struggling to survive, is behind the moves and the three principles have aspects that are incompatible with certain realities.

Narrow Market

At a 27 June informal cabinet meeting, cabinet ministers from the ruling Social Democratic Party of Japan [SDPJ] were wary of the moves to review the three principles. During the meeting, Posts and Telecommunications Minister Shun Oide said: "Organizations concerned have asked the government to ease the three principles," and then asked Chief Cabinet Secretary Kozo Igarashi, "What do you think of that request?" In response, the chief cabinet secretary said: "There is no change in the government's long-standing view on the three principles."

In 1972 the government, at the SDPJ's behest, announced the three principles that ban Japan from exporting arms to communist nations and other nations, the export of arms to which had been banned by a resolution adopted by the United Nations. In 1976 the government expanded the application of the three principles to all nations. In 1983 the government permitted the transfer of weapons technology to the United States, but the export of weapons and parts of weapons to the United States is still banned.

A senior SDPJ legislator hails the three principles as a "feat of Japan's post-war democracy." Nonetheless, the defense industry has only a narrow market, the Self-Defense Forces [SDF], with no hope of mass producing weapons. The cost of manufacturing weapons in Japan is higher than that in other nations, and this high cost of manufacturing arms has made Japan the world's highest-ranking weapons importer.

In 1992 the UN Transitional Authority in Cambodia asked a Japanese automaker to supply four-wheeled armored cars, but the Japanese automaker was foiled by the three principles.

Double Spending

A government source says the three principles have stood in the way of FSX development and it has been developed jointly by Japan and the United States since 1990. Japan has developed carbon fiber to manufacture wings of the FSX, and supplied the technology to manufacture it to the United States.

The FSX will be deployed for combat duties beginning in 1998. If the United States installs production lines for the FSX in America, this would create a situation where Japan is unable to export parts for the production of the FSX because of the three principles.

If Japan is unable to get involved in the joint production of the FSX after transferring its own original technology to the United States, and imports the FSX built in the United States, this would force Japan into a situation of huge double spending, (says the same government source).

Seiki Nishihiro, former Defense Agency administrative vice minister, says: "If one nation intends to develop weapons and equip its armed forces with the weapons, it would cost the nation a lot. The only choice is to jointly develop weapons for the reduction of costs. If the other way is chosen, this would endlessly inflate defense spending."

In response to this situation, the Defense Production Committee (headed by Yotaro Iida) of Keidanren compiled in mid-May an agenda of proposals calling on the government to flexibly handle the three principles, claiming that "conditions should be created for Japan to develop and produce weapons jointly with the United States with which Japan has maintained a close security relationship."

The agenda of proposals notes that "It has become difficult to keep production lines running" following incessant cuts in the defense budget in the past few years and "It will take many years and a large amount of money to retool the production lines." The agenda of proposals emphasizes that "The government must expressly indicate how Japan's defense should be maintained in the future to make contributions to the safety of the people and stability of the international community."

Allied Nations

A "report on security policy," compiled in June by the NFP, said "The three principles should be flexibly applied to assist in U.S. activities aimed at strengthening Japan-U.S. security arrangements and maintaining and restoring peace in the international community." In this way, the main opposition party took a posture to approve Japan's exports of weapons.

The LDP is posturing to examine the possibility of reviewing the three principles, but it has yet to put forth a clear-cut policy out of consideration for a possible backlash from the SDPJ.

Within the government, Chief Cabinet Secretary Kozo Igarashi has made it clear that the government would not go along with any request for a review of the three principles. The possibility is believed to be slim that the three principles will be reviewed as long as the present coalition framework for the government continues.

A Foreign Ministry source says, "For Japan to become an significant allied nation to the United States, (the relaxation of the three principles) would be a significant step in light of discussion on a review of the Japan-U.S. Security Treaty."

A high-ranking government official says: "Now, our neighboring nations are engaging in the expansion of armaments. European nations and the United States now want to sell their weapons. No nation may want to sell its weapons when Japan really needs the weapons. Advocating a curb in defense spending would make it impossible for Japan to deal with an emergency case."

Journalist on Security Relationship With U.S.

OW2307124795 Tokyo AERA in Japanese 10 Jul 95 p 21-22

[Article by journalist Shunji Taoka: "U.S. Armed Forces Need Japan"]

[FBIS Translated Text] In the Japan-U.S. talks debating the issue of importing auto parts and finished vehicles, the Japanese Government persisted in rejecting numerical targets and in writing into the joint Japan-U.S. announcement a statement that the Japanese Government was not involved in the U.S.-made predictions on exports to Japan. To say "If you want to make predictions, do as you please; we do not care" is a tough stand which departs from Japan's post-war practice of doing everything the United States says. In Japan, there are now voices of concern raised about the fear that this logical stand will have an impact on the Japan-U.S. security relationship. But actually, it is not so much the Japanese Government as the U.S. Government which is trying to prevent this from having an impact on the security relationship. And this probably is the reason why the U.S. Government chose not to impose the sanctions at the last moment.

On 17 May, shortly after the U.S. Government began preparing for the sanctions against Japan, State Department spokesman Burns told a news conference: "Japan is one of the most important countries for the United States. The two countries are deeply bound, not only in economic terms, but also with respect to security and politics." Two days later, in a speech in Tokyo, Winston Lord, U.S. deputy assistant secretary of state, said: "The trade friction must not be allowed to have an impact on other areas of cooperation, particularly the security relationship."

Alarmed About "the United States Being Excluded"

The reason the State Department, Defense Department, and all other U.S. Government offices wanted to separate the security issue from the auto dispute — even though the U.S. trade authorities were so tough, fighting Japan — was because they were afraid that, should the Japan-U.S. cooperation collapse, it would become difficult for the United States to maintain its armed forces in East Asia — the region which is seeing such conspicuous growth in economy — and thus the country's voice and influence there will be weakened.

The United States' net foreign debts are now the largest in the world. Last year's debts at $55.6 billion represented about 9 percent of the gross national product (GNP). The accumulated debts of the U.S. Government exceed $4.5 trillion, and come to 70 percent of the GNP. As a result of the fall in the dollar's value, that GNP itself is about 10 percent overvalued as compared with Japan's. The United States has no choice but to block the move of the East Asian economic bloc to "exclude Japan" by controlling the Asian and Pacific Economic Cooperation (APEC) forum and by relying on the military prestige in doing so.

14 Million Yen for Each U.S. Soldier

Meanwhile, the U.S. Government has no other alternative but to cut its defense budget in efforts to reduce its fiscal deficit. The defense budget for 1995 at $263.8 billion is 13 percent down from the highest budget of $303.5 in 1991. This actually means a reduction of 20 percent if the inflation rate is taken into account. The defense budget may be going down, but the U.S. Government still wishes to maintain the present level of U.S. troop strength in East Asia, and what has made that absurd wish possible so far is the subsidies paid by Japan to the U.S. Armed Forces in Japan.

The expenses borne by the Japanese Government to keep the U.S. Armed Forces in Japan this year will be made up of 452.7 billion yen paid by the Defense Agency and 23 billion yen paid by other government offices (such as the Home Affairs Ministry). In addition, an estimated 150 billion yen will be provided to pay the land rents for 96 U.S. military bases and installations. Thus, the total will run to 625.7 billion yen, which is equivalent to about 14 million yen for each of 45,000 U.S. soldiers. Meanwhile, the personnel expenses, training expenses, and maintenance expenses paid by the U.S. Government for its armed forces in Japan amounted to $3.9 billion in 1991. Figures after that year have not been revealed, but the Defense Agency [DA] thinks the annual outlay runs to only about $4 billion (about 340 billion yen) and this means Japan has borne about 70 percent of the total expenses needed to keep the U.S. Armed Forces in Japan.

This figure is conspicuously high when compared with other countries. According to the "Report on Sharing Defense Burdens by Allied Nations" presented to Congress in May 1994, Japan paid $3.62-3.92 billion to support the U.S. Armed Forces, while Germany paid $1.662-2.161 billion, the ROK $1.865-1.88 billion, and the fourth country, the United Kingdom, only $0.84 billion, which is about the one-twentieth of what Japan paid.

Japan Is a Weapons Buyer

If the U.S. Armed Forces move back to the United States, the personnel expenses for civilian employees on military bases, utility charges, phone charges, and facility maintenance expenses — which are being paid for by Japan now — will have to be paid by the U.S. Government. If whole organizations are dissolved upon arrival back in the United States, things will be easy. But that would result in 45,000 people losing jobs all at the same time. The U.S. Government has no other choice but to hope there will be no rift in the Japan-U.S. security relationship and that Japan will increase its "consideration budget" [omoiyari yosan].

Furthermore, Japan is also a good customer of U.S.-made weapons. Last year, the DA bought 105.6 billion yen's worth of U.S.-made weapons in government-to-government direct purchase programs. There are also weapons bought through trading companies, as well as parts bought for U.S.-designed aircraft which are built locally under licensing arrangements. Licensing fees are paid in connection with these projects as well. The DA estimates more than 200 billion yen was paid by Japan to U.S. weapons manufacturers in the year.

As a result of the recent cutdown on U.S. defense outlays, the orders for arms and equipment have dropped to less than a half of the level five years ago. That could mean more than 2 million workers from a total of 4.5 million defense industry workers will lose their jobs by 1997 according to the U.S. Labor Department's prediction. In order to prevent this from happening, the United States is desperate to export weapons. In 1993 the country carried out 70 percent of the world's total arms exports. But since the Cold War ended, the world market of weapons has shrunk sharply, and the United States' government-to-government weapons exports in 1994 amounted to $12 billion, of which 100 billion yen's worth were destined to Japan. Indeed, Japan is a relatively steady buyer.

One way of getting Japan to buy the U.S.-made weapons has been to stress the need for "uniformity of the allied countries' weapons." It is only natural that the Defense Department and the State Department are worried lest the automobile friction should have an impact on the alliance relationship.

Security Pact Turning Into Japan-U.S. Nonwar Pact

Meanwhile, Japan's defense bureaucrats and uniformed officers are worried, from a different perspective, that the auto issue should flare up again into an emotional confrontation, thus affecting the two countries' alliance relationship.

As a result of the chaotic conditions of Russia's economy and finances, the Russian Pacific Fleet is having a tough time getting money even for fuel and maintenance. The Maritime Self-Defense Forces [SDF] observed only eight Russian war vessels running last year. Fighter pilots are hardly flying 20 hours in training a year. The DA officials are aware that Russia's Navy and Air Force in the Far East are heading for a total collapse. As far as China is concerned, the United States wants to develop it as a weapons market, and Defense Secretary Perry, while visiting China last October, declared: "The United States does not consider China a threat, but a friend." The presence of the "common threat," upon which the Japan-U.S. alliance is based, is about to disappear.

Given the reduced military threat and the increased financial difficulties, the growth rate of Japan's defense expenses in the 1995 budget was contained at 0.86 percent. But the expenses for the U.S. Armed Forces in Japan expanded by 5.9 percent over the previous year, thus putting pressure on the SDF's expenses for training and other purposes. As a result, at one time, the DA decided to cut the growth rate for the expenses for the U.S. Armed Forces in Japan by half of what was originally intended. That decision was scrapped, and the originally considered rate was subsequently restored, but defense-related bureaucrats recalled:

"Hatakeyama, former vice minister for defense (deceased on 1 June), did an excellent job. He made it clear that even the expenses for the U.S. Armed Forces could not be an exception."

When DA Director General Tamazawa made a visit to the United States in May, the DA informed the Defense Department that "we cannot increase the burdens anymore."

Even concerning the theater missile defense (TMD) system in which the United States is seeking Japan's cooperation in the area of development expenses, Japan is showing the position of not responding to the U.S. request readily.

Certainly, the DA is no longer living in the time of doing everything as the United States says. But defense is an area which is different from the economy. And the gap in the two countries' military capabilities is overwhelming.

A general of the Maritime SDF said: "Japan lives on maritime traffic. It is impossible for Japan to go against the United States, which has command of the seas across the globe. It is simply impossible for Japan to possess capabilities to defend tankers going into the Indian Ocean and the Persian Gulf — in a confrontation with U.S. nuclear submarines. Now we have a good relationship with the U.S. Navy. I think our mission in securing safety for Japan is to maintain that relationship."

It looks like after the collapse of the Soviet Union, the meaning of the Japan-U.S. security pact is changing into a "Japan-U.S. non-war pact."

Review of Construction Accord With U.S. Slated

OW2307145295 Tokyo YOMIURI SHIMBUN in Japanese 23 Jul 95 Morning Edition p 5

[FBIS Translated Text] Japanese and U.S. Government officials are scheduled to hold the first review meeting concerning the January 1994 construction agreement at the Ministry of Foreign Affairs on 26 and 27 July. The meeting is designed to evaluate how Japan's action plan — which has introduced a general competitive bidding system into large public works projects — has helped foreign construction firms increase their access to the Japanese market. However, since foreign firms have won a bid in few projects, there is a possibility that the United States will strongly urge Japan to further improve the bidding system.

The main purpose of the forthcoming meeting is to examine the results of public works contracts achieved by foreign firms from 22 countries, including European nations and the United States. In FY94, foreign firms participated in bidding for two construction projects and won one of them, and they participated in bidding for more than 10 designing and consulting projects and won only about one-fourth of them. The United States is expected to urge Japan to improve the public works bidding system, maintaining that the annual public works schedules of the Japanese Government and public corporations are uncertain and that local governments have failed to take effective measures to open the public works market to foreign firms. The Japanese side intends to refute the expected U.S. claim by maintaining that foreign construction firms "have already been granted equal opportunity to bid for public works contracts and that the current results are attributed to foreign firms' less enthusiasm for access to the Japanese market and weak competitive power," (as stated by the Construction Ministry).

APEC Trade Moves Concern Malaysian Envoy

OW2007124195 Tokyo KYODO in English 1123 GMT 20 Jul 95

[FBIS Transcribed Text] Otsu, Japan, July 20 KYODO — The Malaysian ambassador to Japan on Thursday [20 July] warned against rapid trade liberalization moves by the Asia-Pacific Economic Cooperation (APEC) forum.

APEC is trying to accomplish too many things too hastily, Datuk H. M. Khatib said in a keynote address to a seminar held in Otsu, western Japan, by the Kansai Committee for Economic Development as a prelude to the forum's gathering in Osaka in November.

The Osaka meeting should seek the advancement of agreements reached in the Uruguay Round of global trade talks under the General Agreement on Tariffs and Trade but avoid talks on wider trade liberalization, Khatib said.

Developing nations need much more time to stand on an equal footing with industrialized countries, and Japan should work to protect Asia's interests, Khatib added.

Hiromoto Seki, Japanese ambassador to APEC, said in his speech that the promotion of trade liberalization through forum members' individual and joint efforts, as proposed by Japan, is necessary.

JAIDO Plans Subic Bay Industrial Complex

OW2007060195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Jul 95 Morning Edition p 11

[FBIS Translated Text] The Japan International Development Organization (JAIDO) plans to construct an industrial complex for Japanese companies at the site of the former U.S. Subic Bay Naval Base. The size of the overall development area is 180 hectares and total construction cost will be 6-7 billion yen. Construction will be executed in two stages. The first stage of the construction will be partially completed in time for holding unofficial summit talks of the Asia-Pacific Economic Cooperation Conference next November. Those talks represent the first time for Japanese companies to make a full-fledged investment at Subic Bay Naval Base. The Philippine Government fully supports the plan, saying that "it will act as a springboard for Japanese companies who want to make inroads into the Philippines" (according to Secretary of Trade and Industry Rizalino Navarro).

A joint venture company—formed by the JAIDO, major trading companies, and other firms—will be the one that will actually execute the project. Its anticipated capital base is projected at 2-3 billion yen. JAIDO intends to ask the Overseas Economic Cooperation Fund (OECF) to invest in the project. JAIDO will participate in the project by cooperating with the Japanese companies in management of the industrial complex, without investing in the project itself, should the OECF makes an investment. After working out details regarding investors and their investment ratios, the project could have a startup date as soon as this fall.

About 15 hectares in the initial development area will be developed on a priority bases. JAIDO expects that some 100 firms will eventually have some type of on-site development. The Philippine Government is asking for investment by supporting industries and JAIDO. In addition, there are plans to help enterprises of middle standing and small business to make inroads into the industrial complex.

Asian Nations Suffering Grain Shortage Noted

OW2407141295 Tokyo MAINICHI SHIMBUN in Japanese 23 Jul Morning Edition p 9

[FBIS Translated Text] Japan is receiving successive requests from Asian nations to provide rice aid. In addition to 30,000 tons and 300,000 tons of rice to Laos and North Korea respectively, Japan is expected to send 20,000-30,000 tons of rice to the Philippines. Underlying Asian nations' rice supply requests is a grain shortage in Asia. Since the world grain market is already skyrocketing, there is a high possibility that Japan, the biggest importing nation, will be seriously affected by the skyrocketing grain prices.

Because of a long drought, the Philippines is short 200,000-300,000 tons of rice, and although it imports rice from Thailand and Vietnam, it is still insufficient. For that reason, it is very likely that Japan will supply an onerous 20,000-30,000 tons of rice.

In addition to bad weather, there is another cause of the grain shortage in Asia. China banned grain exports this year mainly because of flood damage last year. Meanwhile, however, thanks to an increase in income, China's food consumption is rapidly increasing while cultivated acreage is on the decrease due to rapid economic development. A U.S. Agriculture Department estimate says China's grain imports will reach the highest-ever level of 15,000,000 tons in the 1995-96 period, saying China will be the second largest grain importing nation next to Japan.

Wheat imports of Southeast Asian nations doubled in the past seven years because people's eating habits changed as the economies grew. In 1995-96, the share of Southeast Asia's imports in the world wheat trade is expected to increase to 8 percent, 3 percent up from four years ago.

Such a change in Asian nations is having an impact on the world grain market. A U.S. World Watch Research Institute estimate says the world's grain stock will be 258 million tons in 1996, saying it will be consumed in 53 days. However, the U.S. Agriculture Department has a more severe estimate, saying it will be consumed in 52 days, the lowest level since 1973 food crisis, when the grain stock could last 55 days.

Reflecting such concern, the futures market for grain in Chicago and other markets continues to skyrocket. The U.S. Agriculture Department says the world grain prices increased 10-20 percent in the past six months. In this way, it is highly possible that the market will fall into the same situation in 1973, wherein grain prices doubled.

Destroyers To Mark Indonesian Independence

OW2007011395 Tokyo KYODO in English
0055 GMT 20 Jul 95

[FBIS Transcribed Text] Tokyo, July 20 KYODO — Two destroyers from the Maritime Self-Defense Force (MSDF) will participate in an international naval review off Jakarta in mid-August to mark the 50th anniversary of Indonesian independence, defense officials said Thursday.

The dispatch of the ships is intended to "deepen friendly ties" with other countries, an MSDF official said.

Some 42 vessels from 18 countries, including the United States, South Korea, Russia and China, are scheduled to join the naval parade Aug. 16-20.

Japan will dispatch the destroyers Mineyuki and Hamayuki, which are based at Maizuru in Kyoto prefecture, the officials said. They will set sail from Sasebo, Nagasaki prefecture, on Aug. 1.

MSDF destroyers participated in an international naval review in Malaysia five years ago, but at that time the vessels were already in the region in connection with ocean navigation drills, the officials said.

Fifty years after World War II, animosity toward former enemy Japan still lingers in some countries. Recently an MSDF training vessel on a world cruise to mark the 50th anniversary of the end of the war was refused entry to a British port.

Aid to Developing Nations Reported

Indonesia: 187.5 Billion Yen

OW1907112795 Tokyo KYODO in English
1006 GMT 19 Jul 95

[FBIS Transcribed Text] Tokyo, July 19 KYODO — Japan pledged Wednesday [19 July] to extend Indonesia official development assistance amounting to 187.5 billion yen to support further economic development of the country, the Foreign Ministry said.

Japan made the pledge during an international conference of aid donors to Indonesia held in Paris, the ministry said.

The two-day conference held Tuesday and Wednesday was sponsored by the World Bank and drew participation from 19 countries and 13 international organizations.

Of the Japanese aid, 170 billion yen will be in loans to finance 21 projects while 17.5 billion yen will be extended as grant-in-aid.

Colombia: 7.67 Billion Yen

OW2207021395 Tokyo KYODO in English
0010 GMT 22 Jul 95

[FBIS Transcribed Text] Tokyo, July 22 KYODO — Japan will loan colombia up to 7.67 billion yen to help improve its agricultural production, the Foreign Ministry said Saturday [22 July].

Japanese and Colombian Government officials exchanged documents on the aid in Bogota on Friday, the ministry said.

The aid will be used to build irrigation canals and drainage channels south of Bogota, it said.

The 25-year loan with a grace period of seven years carries an annual interest rate of 3 percent.

Ghana: 13 Million Yen in Goods

OW1707104095 Tokyo KYODO in English 0953 GMT 17 Jul 95

[FBIS Transcribed Text] Tokyo, July 17 KYODO — Japan has decided to extend to Ghana emergency relief goods worth 13.8 million yen to help the west African country recover from damage caused by torrential rain, the Foreign Ministry said Monday [17 July].

The goods include tents, 1,500 blankets, plastic sheets, medicine and medical goods, the ministry said.

Heavy rain July 4 and subsequent floods killed more than 20 people, left 30 missing and caused extensive damage in the capital Accra and surrounding towns.

China Rejects Call To Halt Nuclear Tests

OW2507133395 Tokyo KYODO in English 1321 GMT 25 Jul 95

[FBIS Transcribed Text] Beijing, July 25 KYODO — China on Tuesday [25 July] rejected Japan's call to halt planned nuclear testing, reiterating that China has not conducted as many tests as other nuclear nations and that it will stop them when a test ban treaty is signed, Japanese Government officials said.

In the first bilateral meeting of foreign ministries over nuclear nonproliferation issues, Japan expressed grave concern about China's nuclear tests, but China simply repeated its position, the officials said.

The two countries also discussed the outlook for the recently extended nuclear Nonproliferation Treaty, a ban on chemical and biological weapons, and restrictions on mines, the officials said.

A Japanese official said the meeting was meaningful because the two sides exchanged views on a wide range of nuclear and arms reduction issues.

Auto Talks With PRC To Begin in Beijing

OW2207145095 Tokyo TOKYO SHIMBUN in Japanese 20 Jul 95 Morning Edition p 7

[FBIS Translated Text] The third round of the meeting of the "Japan-China Automobile Industry Development Exchange Association" will be held in Beijing for three days beginning 24 July, and automobile officials from the two countries will exchange views on the development of China's auto industry. Since the Chinese Government announced last year a plan to introduce new capital from a few foreign automakers to produce passenger cars in China beginning in 1996, major Japanese, American, and European automakers have fiercely competed to gain the "limited access" to China's production of passenger cars. Japan aims to use the three years of association meetings as an opportunity to participate in China's production of passenger cars.

High on the agenda of the Beijing meeting is for Japanese automobile officials to present an agenda of proposals for improving China's production of auto parts and resolving problems from China's production of auto parts based on results of a survey conducted in April by the Japanese automobile industry on 40 Chinese auto parts factories. Last July, the Chinese Government announced a plan to allow foreign firms to form new joint-venture automobile companies with their Chinese counterparts to produce passenger cars.

The Japan-China Automobile Industry Development Exchange Association, which was established in November 1993 for the Japanese automobile industry to offer proposals for automobile production technology to China, will hold its last round of the meetings in Beijing. A total of 136 Japanese automobile officials and auto parts makers led by Masami Iwasaki, chairman of the Japan Automobile Manufacturing Association (concurrently vice chairman of the Toyota Motor Corporation) will attend the meeting. In addition, division-chief-level officials from the Ministry of International Trade and Industry and the Ministry of Transport also will attend the meeting.

Reportage on 'Comfort Women' Private Fund

Murayama Gives Full Support

OW1807104395 Tokyo KYODO in English 0912 GMT 18 Jul 95

[FBIS Transcribed Text] Tokyo, July 18 KYODO — Prime Minister Tomiichi Murayama said Tuesday [18 July] the government will cooperate fully with a private fund designed to compensate women forced into sexual slavery for Japanese soldiers before and during World War II in collecting contributions and paying a "solatium" to such women.

Noting the issue of "comfort women" seriously stained the honor and dignity of many women, the premier also said Japan is determined never to repeat such a "national mistake."

"This is entirely inexcusable. I offer my profound apology to all those who, as wartime comfort women, suffered emotional and physical wounds that can never be healed," Murayama said in a statement.

The Asia Peace National Fund for Women, to be formally inaugurated Wednesday in commemoration of the 50th anniversary of the war's end, aims to pay "consolation" money to former comfort women.

It will collect contributions through other private institutions such as the Japanese Red Cross Society and the Japanese National Council of Social Welfare.

"I am convinced that a sincere effort on the part of Japan to implement these measures will further strengthen the true relationships of trust we share with our neighbors in Asia and other nations around the world," Murayama said.

An estimated 80,000 to 200,000 women, mostly Koreans but also Filipinas, Indonesians, Chinese and Dutch, were forced to serve as comfort women at front-line brothels for the Japanese military before and during the war.

Women's Group Opposes

OW1907120195 Tokyo KYODO in English 0947 GMT 19 Jul 95

[FBIS Transcribed Text] Tokyo, July 19 KYODO — A Tokyo-based group of women working for their improved status Wednesday [19 July] condemned Japan's private compensation fund for sex slaves during World War II, calling for an official apology from the state and compensation for individuals.

The Asian Women's Conference Network said it is launching a signature campaign in support of its statement on the "Japanese Army's sexual slavery" which it plans to deliver to the U.N.-sponsored World Conference on Women scheduled for Beijing in September.

Earlier Wednesday, the Asia Peace National Fund for Women was formally inaugurated to commemorate the 50th anniversary of the end of World War II and to provide redress to the so-called "comfort women" forced into sexual servitude during the war.

Directors of the fund plan to initiate a fund-raising campaign in August, organizers said.

The Women's Network, however, charged that the fund was a ploy by the government to evade its responsibility, adding that it strongly opposes "this deceptive fund which would injure the surviving women's dignity once again."

The network condemned the sexual slavery system as "nothing but a war crime committed by Japan, under the flag of state, and a sexual crime against women."

"We demand that the Japanese Government fulfill its legal and moral responsibilities for its wrongdoing by offering a formal apology as a state and individual compensation to each victim," the network's statement said.

Historians estimate that between 80,000 and 200,000 women, chiefly from the Korean peninsula, were forced into sexual slavery for the Japanese military before and during the war.

Tokyo Explains Fund to UN Team

OW2407144195 Tokyo KYODO in English 0604 GMT 24 Jul 95

[FBIS Transcribed Text] Tokyo, July 24 KYODO — The Japanese Government is seriously confronting the issue of women forced into sexual servitude by the Japanese military during World War II, Foreign Ministry officials told a UN mission Monday [24 July].

In a meeting with the three-member UN team headed by Radhika Coomaraswamy, a Sri Lankan jurist appointed by the UN Commission on Human Rights as a special rapporteur on violence against women, the ministry officials gave a detailed explanation of the just launched a fund to compensate women known as "comfort women," the officials said.

Yutaka Kawashima, director general of the ministry's Asian Affairs Bureau, and Kojiro Takano, director general of the multilateral cooperation department, attended the meeting at the ministry, they said.

Historians estimate that 100,000 to 200,000 women, mostly from the Korean peninsula, which Japan ruled between 1910 and 1945, were forced into sexual servitude in Japanese military brothels before and during the war.

The UN investigative group arrived in Japan on Saturday for a six-day stay to look into Japan's World War II responsibility, including the "comfort women" issue.

The team is traveling around the world to compile a report on violence against women and submit it to the UN Commission on Human Rights by next year.

The team's recommendations will also be used as a basis for debate at the u.N.-sponsored International Women's Conference in Beijing in September as well as at other international forums.

In a midterm report on the comfort women problem, Coomaraswamy cited the need to resolve the issue of compensation and to acknowledge that forcing the women into sexual servitude was a crime under international humanitarian law.

MITI To Help Venture Businesses Raise Funds

OW2307015695 Tokyo KYODO in English
0124 GMT 23 Jul 95

[FBIS Transcribed Text] Tokyo, July 23 KYODO — The Ministry of International Trade and Industry (MITI) and its affiliates will soon take measures to foster entrepreneurial firms by helping them raise funds, a business daily reported Sunday [23 July].

The nurturing of company start-ups is widely seen as the key to buoying the stagnant Japanese economy. The Japan Securities Dealers Association last Wednesday created a second over-the-counter stock market to facilitate fund procurement by venture firms on the capital market.

The NIHON KEIZAI SHIMBUN said MITI, businesses and scholars will jointly start developing a collateral evaluation system Tuesday so that venture businesses will be able to obtain loans by putting up patents and other intellectual property as collateral.

The group studying the evaluation system will include the Industrial Bank of Japan, Sumitomo Bank, Japan Associated Finance Co., Hitachi Ltd., Kawasaki Steel Corp., major accountant and patent lawyer offices, and university professors.

In August, the Japan Technology Transfer Association, a MITI affiliate, will inaugurate a technical evaluation organization, it said.

The organization, to be joined by some 12,000 experts, will work out reports on originality, marketability and other aspects of new technologies in four fields, including biotechnology and "mechatronics," a combination of mechanics and electronics.

MITI will then help public financial institutions extend intellectual property-backed loans to such firms, the paper said.

Survey Shows Corporations Turning Cautious

OW2407144295 Tokyo KYODO in English
0652 GMT 24 Jul 95

[FBIS Transcribed Text] Tokyo, July 24 KYODO — Corporate managers turned cautious about their business outlook in the current quarter, according to a governor [as received] survey released Monday [24 July].

A diffusion index of corporate sentiment for the July-September quarter came to minus 9, deteriorating from plus 8 for the April-June quarter.

The index represents the percentage ratio of those observing an improved business outlook for the quarter from the previous period, minus those feeling otherwise. The sentiment index for October-December, however, improved to minus 3, said the report released by the Economic Planning Agency [EPA].

Corporate managers' assessment for the domestic economy as a whole showed an index reading of minus 9 for the July-September quarter, following plus 19 in the April-June quarter.

The index for the October-December period came to minus 1, the EPA report said.

Corporate capital spending for July-September will rise 2.8 percent over the previous quarter but drop 1.5 percent in the October-December period, the survey said.

The survey was conducted on June 1, covering 4,542 companies with capital of 100 million yen or more.

MOF Considering 'Yardsticks' for Bank Failures

OW2207015495 Tokyo KYODO in English
2341 GMT 21 Jul 95

[FBIS Transcribed Text] Tokyo, July 22 KYODO — The Finance Ministry is considering introducing as early as fiscal 1996 objective yardsticks such as a capital adequacy ratio in a move to keep financial institutions from going bankrupt, a financial daily reported Saturday [22 July].

The ministry would instruct such institutions to work out bailout programs, improve operations and limit dividend payments if their figures fall below the standards, the NIHON KEIZAI SHIMBUN said.

Should financial institutions fail to improve operations in line with the instructions, the ministry may force them to halt operations, according to the paper.

The Finance Ministry will soon ask the Finance System Research Council, an advisory body to the ministry, to study concrete measures for recommendations to the ministry, it said.

At present, the banking law requires financial institutions to keep their domestic capital-to-asset ratios above 4 percent and the ratio of large-lot loans to total lending below a certain level.

But the law does not stipulate measures the ministry should take if such institutions fail to meet the standards.

In the United States, Federal Deposit Insurance Corp. automatically starts liquidating financial institutions when their capital adequacy ratios slip below 2 percent.

Yamaha Motor To Set Up PRC Joint Venture

OW2107113295 Tokyo KYODO in English
1023 GMT 21 Jul 95

[FBIS Transcribed Text] Tokyo, July 21 KYODO — Yamaha Motor Corp. said Friday [21 July] it will set up a joint venture in China with two local companies to manufacture and sell motorcycle shock absorbers.

The new company, Zhuzhou Nanfang Yamaha Shock-Absorber Co., will have a starting capital of $9.98 million.

Yamaha will hold a 50 percent share, while China National South Aeroengine Co., a maker of airplane engines and motorcycles, will have a 35 percent share. The remainder will be owned by Xiangling Machinery Factory of Aviation Industrial Inc. of China, a manufacturer of motorcycle shock absorbers.

The joint company is scheduled to start operations in December, selling some 300,000 shock absorbers worth about $11 million in the initial year.

Within three years, the company hopes to turn out about 700,000 units worth some $26 million, with plans to market them to two Yamaha motorcycle-making joint ventures in China.

Motorcycle production in China exceeded five million units in 1994 amid strong demand. Bikes manufactured by Yamaha's joint ventures and technical assistance partners are expected to rise to 960,000 in the current business year, which began in April, from 620,000 in the previous year.

Makers Shifting Production to China Noted

OW2407144895 Tokyo KYODO in English
0803 GMT 24 Jul 95

[FBIS Transcribed Text] Tokyo, July 24 KYODO — Japanese electrical and machinery manufacturers have stepped up shifting production to China to overcome the strong yen, industry officials said Monday [24 July].

The officials said the Japanese makers give greater importance to China as their new production base as their expansion in Southeast Asian nations has peaked.

China's massive population is regarded as having enormous potential as a market in the 21st century, they said.

A survey conducted on major electrical and machinery makers by the Japan Machinery Exporters Association from April to May showed that 31 percent of respondents said they are expanding production in China.

The association said 41 percent will expand production within two years.

The poll surveyed 360 firms, including such major enterprises as Sony Corp., NEC Corp., Matsushita Electric Industrial Co. and Canon Inc., of which 107 responded, the association said.

In particular, many computer and audiovisual equipmentmakers were planning to shift production to China, association officials said.

They said more than 75 percent of these makers said they will build up production bases in China within two years.

A joint venture established in Shanghai by NEC to manufacture personal computers and peripheral equipment will start operating at the end of August.

Mitsubishi Electric Corp. plans to commission a Chinese maker to manufacture semiconductors while in April, Victor Co. of Japan began to produce color television sets in Wuhan, an industrial city in Hubei Province.

Two Matsushita group companies have launched a joint car audio equipment venture in the port city of Dalian, northeastern China, to start operations in October.

Casio Computer Co., a major digital watch maker, started producing electronic key boards in Guangdong Province in July, and the company plans to shift its entire production to its Chinese plant in the future.

Many other Japanese makers plan to establish production bases in China while some others are considering relocating their research and development facilities there, the officials said.

Coalition Sets Out To Compile FY96 Budget

OW2407140395 Tokyo KYODO in English
1102 GMT 24 Jul 95

[FBIS Transcribed Text] Tokyo, July 24 KYODO — The ruling coalition Monday [24 July] jumped full swing into efforts to compile the state budget for fiscal 1996 which begins April 1, still licking their wounds from Sunday's House of Councillors election.

The three ruling coalition parties, which suffered a major setback in the upper house poll, will focus on defense spending and reform of property-related taxes as well as economic deregulation, political sources said.

The government plans to set the growth ceiling for budgetary requests by ministries and agencies at its meeting set for Aug. 4, the sources said.

The sources said the three parties will adjust views on a new large-scale supplementary budget for the current fiscal year designed to shore up the floundering economy.

The coalition alliance is made up of the Prime Minister Tomiichi Murayama's Social Democratic Party (SDP), the Liberal Democratic Party (LDP) and new party Sakigake [Harbinger].

The election setback inevitably weakened the foundations of the ruling camp, resulting in the sharpening of confrontation among the governing parties on major outstanding issues, the sources said.

Confrontation between the LDP and the SDP has already surfaced over defense outlays, they said.

The LDP, the largest of the three governing groups, is bucking the SDP's effort to curb defense spending, keeping it below a growth of 0.855 percent in the 1996 fiscal budget, they said.

The sources said emphasis will also be placed on expenditures for rehabilitation in the Kobe area ravaged by the devastating earthquake in January, creation of new businesses through restructuring the domestic economy and a review of public works budget allocations among ministries.

They said the government plans to submit a new supplementary budget to the Diet for approval in mid-September. It will be the second extra budget, following a 2.73 trillion yen program enacted in May.

The supplementary budget will feature additional outlays for public works projects, reform of estate taxes, bailout of debt- ridden financial institutions and deregulation, the sources said.

They said the LDP favors an allotment of public funds for the rescue of ailing financial institutions while the SDP is taking a cautious stance on the issue.

Coalition To Seek Antinuclear Resolution

OW2407115095 Tokyo KYODO in English 1030 GMT 24 Jul 95

[FBIS Transcribed Text] Tokyo, July 24 KYODO — The tripartite ruling coalition formally agreed Monday [24 July] to seek Diet passage of a resolution opposing nuclear tests during an extraordinary session scheduled to be called Aug. 4, coalition officials said Monday.

The agreement was made at a meeting of leaders of the three ruling parties — Prime Minister Tomiichi Murayama of the Social Democratic Party, Foreign Minister Yohei Kono of the Liberal Democratic Party (LDP) and Finance Minister Masayoshi Takemura of new party Sakigake [24 July].

Leaders of the main opposition Shinshinto (New Frontier Party) also agreed to pursue such a resolution, with Ichiro Ozawa, a key party strategist, giving support to the idea in principle.

"I agree with it, but it will end up as an empty gesture unless the government makes it clear what to do to make it effective," Ozawa told reporters.

The issue over whether to name any nuclear power in the resolution is expected to be a major focus in the drafting of the document as Kono, LDP president who doubles as deputy prime minister, cautioned against referring to specific nuclear powers in the resolution.

"It is a diplomatic custom not to name specific countries in these kinds of resolutions. This must be studied well," Kono reportedly said at the meeting of coalition leaders.

Coalition officials also quoted Kono as cautioning Sakigake chief Takemura over his remark last week proposing a boycott of French goods in protest against France's decision to resume nuclear testing in the South Pacific.

"It's not desirable that a key cabinet minister propose a boycott of goods by naming a specific country," Kono was quoted as telling Takemura.

Takemura told Kono that he believes it is better to express the anger felt among the people in the only nation attacked by atomic bombs, taking advantage of a campaign for Sunday's House of Councillors election, the officials said.

Japan lodged an official protest against the French move to resume nuclear tests last Thursday by calling the French ambassador to the prime minister's office instead of to the Foreign Ministry as is usually done in such a case.

France reacted quickly by summoning the Japanese envoy to France and said bilateral relations would be jeopardized if Tokyo encouraged a boycott of French goods over President Jacques Chirac's decision to conduct eight underground tests in the South Pacific from September through May.

Ministry Seeks Wireless Multimedia Networks

OW2007081995 Tokyo ASAHI SHIMBUN in Japanese 18 Jul 95 Morning Edition p 1

[FBIS Translated Text] In 1996, the Ministry of Posts and Telecommunications [MPT] will launch a program to put in across the nation networks that can accommodate super-high-speed, mammoth volume communications, using new radio waves called miliwaves and utilizing optical fiber circuits. The goal is to complete the networks by 2000. Terminals to be used in these networks — such as "portable television phones" and wireless "local area network (LAN) systems in office buildings" — will be developed along with them. The MPT hopes to make these networks and the optical fiber networks communications' main pillars of the multimedia age. The ministry plans to invest about 100 billion yen in this program over five years from 1996, and will make it a key project in the 1996 budget request.

Insomuch as the system of providing ultra-low-interest loans for businesses involved in optical fiber network construction is expected to become operational in 1995, the MPT now considers it time to put in effort to build up wireless multimedia systems.

According to the MPT, the systems will be able to transmit large volumes of information by using hitherto-not-fully-used new radio frequencies like miliwaves and semi-miliwaves. Unlike optical fiber lines, there will be no need to dig up roads to put in circuits, not to mention the waste of time in getting permits to do such ground-digging. Consequently, networks can be built up in a short time, which means demand for expansion can be met spontaneously.

The program projects that railway stations, airports, business offices, and other installations and buildings where many people gather will function as "radio stations" that businessmen, for instance, will use to send out picture information from their TV phones or to transmit fine blueprints from their very small portable personal computers to their home offices. The radio stations will be connected via optical fiber.

From a radio station in a railway terminal or airport, one will be able to transmit information in the volume of 10 or 20-30 megabits a second, which is about 1,000 times the information transmitted by an average portable phone and about 300 times the information transmitted by a personal handy phone system (PHS), use of which began in major cities of the metropolitan area this month.

The MOPT wants to develop portable TV phones, regarding them as handy terminals to be used in the new networks. Phone-circuit-using TV phones that can be used at home and other places have already been commercialized, but manufacturers expect demand for portable TV phones to be large, and, as such, have much interest in them. They want to hurry with the development of antennas workable on new frequencies and of lighter-weight terminals.

The ministry also plans to help build up TV conferencing systems as well as a super-high-speed "wireless LAN system" that connects personal computers in office buildings by radio and takes in information from super-high speed, mammoth volume optical fiber "wire circuits." In this case, radio-transmitted information is linked to wire circuits, and the volume transmitted will reach 156-600 megabits a second.

As far as the optical fiber system project is concerned, circuits linking major cities have already been completed, and the next step is to connect the optical fibers into business offices and individual households. The work of this phase started in 1995 with the target of completing it by 2010. The 1995 budget contains a program to provide ultra-low-interest loans to businesses involved in the work.

In view of the fact that the PHS became operational in 1995 after development efforts on it were started in 1990, the MOPT thinks that the industry can come up with commercially feasible terminals within the next five years. In 1996, the ministry will begin the work of unifying specifications on the systems and terminals, and will urge manufacturers and other businesses to start developing the necessary technologies.

Restoration of Public Faith in Science Urged

OW1807065595 Tokyo KYODO in English
0414 GMT 18 Jul 95

[FBIS Transcribed Text] Tokyo, July 18 KYODO — Scientific developments have brought Japan material benefits but have failed to win the trust of the Japanese people since the end of World War II, says an annual White Paper on science and technology released Tuesday.

The paper, presented to the cabinet by science and technology agency Director General Makiko Tanaka, provides an overview of science in the years since the war, but concludes that to restore people's trust, science must engage in dialogue with the community and shift its emphasis from production to lifestyle issues.

As part of the new emphasis, it recommends environmental research themes such as energy and food, or issues related to the aging of Japanese society, including medical care, as well as the preservation of life in the face of disasters such as earthquakes.

The paper notes that public faith in modern technology was damaged by the destruction of modern buildings in the Jan. 17 great Hanshin earthquake which destroyed much of Kobe and nearby areas.

Referring to the deaths of people in attacks involving the use of sarin gas in Japan in Matsumoto in June 1994 and on the Tokyo subway system in March this year, the paper also says "(scientific) knowledge used for other than its original purpose has brought about a situation which threatens citizens."

The paper says the number of scientific researchers in Japan has risen seven-fold compared with 1960 while money spent on scientific research has risen 66-fold over the same period.

But it warns that Japan's five nobel prize winners in the natural sciences are too few and says research expenditures in the field have been dropping since 1993.

The paper describes Japan as facing either an era of low employment and a hollowing of production as a result of developing countries catching up and heated competition among advanced countries, or an era where it has lost sight of its target, having been already overtaken by other countries.

It says that to continue developing, Japan will have to foster originality more than harmony among its talented scientists if it is to produce the kind of knowledge and science which can give rise to new industries.

MOF Official Opposes Idea of Special Budget

OW2407144395 Tokyo KYODO in English 1026 GMT 24 Jul 95

[FBIS Transcribed Text] Tokyo, July 24 KYODO — Vice Finance Minister Kyosuke Shinozawa on Monday [24 July] opposed the idea of setting special allocations in a fiscal 1996 budget ceiling by each ministry and agency.

"Providing special allocations for fresh demand is not consistent with the philosophy of a budget ceiling," Shinozawa said at a press conference.

Stressing the severeness of the nation's financial condition, Shinozawa called upon ministries and agencies for self-help efforts to "scrap and build" their budgetary requests.

The degree of their self-help efforts will determine the Finance Ministry's [MOF] scrutiny and assessment in budgetary allocations, he said.

About 300 billion yen in spending on public projects was earmarked in the fiscal 1995 budget ceiling as a special priority area.

The government is to set next year's budget ceiling on Aug. 4.

MITI To Postpone Budget Request for YSX

OW2007122595 Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Jul 95 Morning Edition p 13

[FBIS Translated Text] The Ministry of International Trade and Industry [MITI] has decided not to include spending for developing the next-generation small passenger jet (YSX) in its budgetary request for FY96. Instead, MITI intends to continue a feasibility study of the YSX project into FY96, which has been promoted by the government and private firms. The decision has been made because it appears that Japanese airplane manufacturers, including Mitsubishi Heavy Industries, Ltd., and Boeing Co. of the United States will not be able to establish an international joint development framework by late August, when MITI's budgetary request for FY96 is supposed to be submitted to the Ministry of Finance. The profitability and marketability of the YSX jet remains uncertain. The initial schedule of formally starting the YSX development in FY96 is expected to be delayed for over a year.

The YSX jet, which is a 100-seat passenger plane with a medium- to-short flight range, will be domestically developed for the first time since the development of the YS-11 jet. Among the participants in the project are Mitsubishi Heavy Industries, Ltd., Kawasaki Heavy Industries Ltd., and Fuji Heavy Industries Ltd. The Japanese firms have been seeking the possibility of joint development with Boeing Co. since 1994. The Japanese side, including Mitsubishi Heavy Industries, was initially scheduled to sign a memorandum of understanding (MOU) with Boeing by March this year to confirm an outline of the YSX airframe, and was scheduled to formally start the development in FY96.

Aiming at completing a feasibility study of the YSX airframe by the end of FY95, MITI obtained a total of 2.4 billion yen budget for engine research and other study programs in FY95. To start formal development of the YSX jet, MITI has been considering the introduction of a system of providing companies with grants for paying interest of their development loans.

As of 18 July, the Japan Aircraft Development Corp., the three manufacturers, including Mitsubishi Heavy Industries, and Boeing Co. have signed a letter of understanding (LOU) on the joint project of the YSX development. However, unlike the MOU which they initially planed to sign, the LOU has only confirmed their intention to continue a joint study, postponing a decision on development costs and the type of the YSX airframe. For this reason, MITI has decided to continue a feasibility study for the time being.

Reportage on Impact of Upper House Election

Diplomacy Seen Not Affected

OW2407145795 Tokyo KYODO in English 0612 GMT 24 Jul 95

["News Focus" By Miu Oikawa Dieter: "Upper House Polls Have No Immediate Impact on Diplomacy"]

[FBIS Transcribed Text] Tokyo, July 24 KYODO — With Tomiichi Murayama choosing to remain as prime minister despite poor performances by the ruling coalition parties in Sunday's [23 July] House of Councillors elections, Japanese diplomacy will likely see no immediate impact from the election results.

"I don't think there is going to be any particular impact on Japan's diplomacy because Prime Minister Murayama is going to stay on and the coalition is likely to remain," said a high-ranking Foreign Ministry official.

Diplomatic analyst Hideaki Kase also denied any direct effects by the election results on Japan's foreign policy, saying, "Japanese diplomacy is led by bureaucrats."

The surge of the main opposition Shinshinto (New Frontier Party) against losses by the ruling coalition parties — Murayama's Social Democratic Party (SDP), the Liberal Democratic Party (LDP) and new party Sakigake [Harbinger] — is unlikely to bring about major confrontations regarding foreign policy between the ruling and opposition forces, diplomats and analysts say.

"We don't have any great antagonism among political parties regarding foreign policies any more like those that existed in the past between the LDP and SDP," the ministry official said, speaking on condition of anonymity.

The SDP, which had been a longtime rival of the LDP until formation of the tripartite coalition, made a major turnabout in its traditional policies last year, such as recognizing the Self-Defense Forces (SDF) as constitutional and approving Japan's participation in UN peacekeeping operations.

"The Japan-U.S. economic and trade friction is settled for the time being so the election will not influence ties between the two countries," said analyst Kase. "Besides, the Japan-U.S. trade talks are done at the initiative of bureaucrats anyway."

The planned review of the Japan-U.S. security arrangements likely to start this fall is also being led by bureaucrats, he said.

Diplomats and analysts agree that Japan's foreign policy will remain intact "for the time being," until further reorganization is made on Japan's domestic political scene, such as through the dissolution of the House of Representatives.

Despite the setback in the first real test for the one-year-old coalition government in Sunday's election, Murayama vowed Monday to remain in power and dismissed any plans for dissolving the lower house, a move Kase describes as being "disappointing" for countries around the world.

"Countries abroad will not hold any expectations toward Japan," he said. "The current coalition government does not have any strong leadership domestically, so how can it show leadership abroad?"

Japan's weak standing on the international front may affect the outcome of the Asia-Pacific Economic Cooperation (APEC) forum which Japan will host in Osaka in November, he said, because it will make it difficult to hammer out specifics to realize trade liberalization in the region by 2020 as the Osaka meeting is supposed to.

The resumption of talks with North Korea to normalize relations is also unlikely to take place soon "under the lame-duck government," he said.

Subsidy to SDPJ To Decline

*OW2407144095 Tokyo KYODO in English
0728 GMT 24 Jul 95*

[FBIS Transcribed Text] Tokyo, July 24 KYODO — This year's state subsidy to the ruling coalition's Social Democratic Party (SDP) [of Japan, SDPJ] is likely to fall from the previously-set figure due to the party's major setback in Sunday's House of Councillors election, KYODO NEWS SERVICE calculations indicated Monday [24 July].

The government had decided to give 5.9 billion yen to the SDP this year, based on the number of the party's Diet members as of Jan. 1 and the amount of the SDP's income during the previous year.

The amount of the subsidy, however, is likely to be cut by 300 million yen. The SDP now has a total of 38 seats in the 252-member chamber, compared with 63 seats before Sunday's poll.

The SDP on July 20 received nearly 3 billion yen of the subsidy but funding to be received later this year will be changed based on the election outcome.

The 3 billion yen was part of the nearly 15 billion yen in taxpayers' money paid last week to eight big and small political parties, including the three ruling parties. The figure of 15 billion yen represents about half of the 29.9 billion yen in annual government subsidies to political parties.

Also as a result of the election, the 570 million yen subsidy to the small opposition Democratic Reform Party (DRP) will be reduced 70 million yen, according to the calculations. The DRP now has two upper house seats, compared with eight seats prior to the poll.

The 8.7 billion yen subsidy to the main opposition Shinshinto (New Frontier Party) will be boosted by 300 million yen as the party now has 56 seats, compared with 35 before the election.

The 13.2 billion yen subsidy to the dominant ruling Liberal Democratic Party will be increased by 100 million yen as the LDP now has 110 seats, compared with 94 before the election.

The 720 million yen subsidy to the small coalition partner new party Sakigake [Harbinger] will be hiked by 50 million yen. Sakigake's upper house seats now total three, compared with only one before the poll.

The small opposition party Citizen Peace received nearly 55 million yen last Thursday but it lost qualifications to receive more subsidy money because the number of votes it got in the election fell below 2 percent of voters. The party now has two seats, compared with four before the poll.

The Japanese Communist Party and Niin Club declined to receive government payments, citing their opposition to using taxpayers' money to financially assist parties.

Parties received the subsidies for the first time Thursday under new legislation.

The measure has drawn fire from many quarters, with critics saying it is an official giveaway that will breed corruption rather than a step toward preventing it. Supporters, however, say the subsidies are intended to rid politics of corruption and greed.

Economic Recession Averted

OW2407145695 Tokyo KYODO in English 1046 GMT 24 Jul 95

["News Analysis" by Keiko Tatsuta]

[FBIS Transcribed Text] Tokyo, July 24 KYODO — Prime Minister Tomiichi Murayama's staying in power despite his party's major setback in Sunday's [23 July] national election seems to have averted a worst case scenario of the economy shifting onto a direct course into another recession.

If Murayama's Social Democratic Party (SDP) had been dealt a devastating defeat in the House of Councillors election, his resignation would likely have been inevitable.

Such a situation would have led to the collapse of Murayama's governing coalition, creating a political vacuum and thus nullifying the effects of stimulus measures that have just been put in place.

The business community largely heaved a sigh of relief over the election results.

Jiro Nemoto, president of the Japan Federation of Employers Associations (Nikkeiren), said, "although Murayama's party suffered a setback, it was better to see him retain power."

Whatever the results, however, the severity facing the Japanese economy remains unchanged.

Murayama's three-party governing coalition is charged with handling economic tasks ranging from an early formulation of another supplementary budget for this year to the disposal of bad loans that have gripped most of the nation's banks.

At a press conference Monday, Murayama said his government will do its utmost to put the economy on a stable growth track, including smooth implementation of a stimulus package announced recently.

The market, however, reacted coolly to the election results, with stocks, a key economic gauge, failing to show a major boost, for example.

Mamoru Yamaguchi of the Nikko Research Center urged the Murayama government to work out more specific measures to bolster the economy, such as a clear-cut pledge on additional spending on public works projects, tax reforms and the use of public money for disposal of banks' nonperforming loans.

"We have been fed up with so many pledges on principles in a series of economic packages since April. Markets need specifics," Yamaguchi said.

Shoichirio Toyoda, head of the powerful Federation of Economic Organizations (Keidanren), said, "in an effort to revitalize the economy, the Murayama cabinet should take pump-priming measures, including emergency reforms of the tax system and compiling a second supplementary budget for the current fiscal year."

Fears are growing that the feeble economy will dip into real recession.

The Economic Planning Agency, a government organ often criticized for its optimistic economic assessment, recently acknowledged in an official report that economic recovery has come to a standstill.

The Bank of Japan also painted a bleaker picture of the economy in the latest quarterly report by citing "a risk of economic setback."

Nikkeiren's Nemoto said, "the economy might lapse into a crisis toward the end of this year if things are left unattended. The economy is clearly in a deflationary phase."

The Murayama government has already decided to continue 2 trillion yen in income and residential tax cuts into another year while it pledged to compile a large-scale extra budget for this year.

A possible power struggle within the coalition parties, however, might affect those steps by delaying the convening of an extraordinary parliamentary session for deliberations on the issues.

At the center of such a struggle is likely to be who will become the next president of the Liberal Democratic Party (LDP), the largest component in the three-party ruling coalition, in a September election.

If current LDP head Yohei Kono is not reelected, the political situation may fall into a state of flux, political observers say.

Leadership of the already-weak Murayama government could be further shaken if the main opposition Shinshinto (New Frontier Party) steps up the offensive against him on the strength of its major advance in Sunday's election.

Political Uncertainty Expected

OW2407133395 Tokyo KYODO in English 1314 GMT 24 Jul 95

[FBIS Transcribed Text] Tokyo, July 24 KYODO — Bureaucrats are keeping wary eyes on the outcome of Sunday's [24 July] House of Councillors election which is expected to increase uncertainty over Japanese politics, ministry officials said Monday.

Haruki Matsuno, administrative vice minister for posts and telecommunications, said the administration of government affairs will not be affected by the outcome of the election at least for the time being because Prime Minister Tomiichi Murayama will stay in power despite the ruling coalition's poor performance in the balloting.

But ahead of the compilation of a budget for fiscal 1996, a senior Ministry of Finance (MOF) official said the coalition will increase calls for greater government spending, including outlays for pump-priming measures, as a step to lure back voters.

As the slump in the Japanese economy was a major issue in the election, the opposition is also expected to step up calls for drastic stimulative measures, the MOF official said.

With the ruling coalition's promise to front-load public works spending, Haruho Fujii, administrative vice construction ministry, declined to comment on whether the pledge was supported by voters. At stake is whether advance spending will lead to Japan's economic recovery, he said.

A reshuffle of the cabinet, which is expected in early August, could throw the political situation into confusion.

Officials said the agriculture and trade ministries want no changes in their top posts due to key pending problems — agricultural financial institutions' heavy lending to financially troubled housing loan companies and the November meeting in Osaka of the Asia-Pacific Economic Cooperation forum.

But political maneuvering over the cabinet reshuffling could further increase uncertainty about the political outlook, analysts said.

Kono Accepts Criticism

OW2407131695 Tokyo KYODO in English 1141 GMT 24 Jul 95

[FBIS Transcribed Text] Tokyo, July 24 KYODO — Liberal Democratic Party (LDP) President and Foreign Minister Yohei Kono said Monday [24 July] he will face the music about the poor results of Sunday's House of Councillors election.

"I am willing to accept all the criticism against the party leadership," Kono told a press conference.

But Kono defended the ruling coalition's decision that Prime Minister Tomiichi Murayama should remain in office despite the harsh defeat of his Social Democratic Party (SDP) in the upper house poll.

"The public gave more seats to the ruling coalition (than to the opposition camp)," he said.

It is "the most appropriate thing" and "fits the common sense quite well" that Murayama should continue to lead the government, he said.

In the upper house poll, all three parties of the ruling coalition — the LDP, the SDP and new party Sakigake [Harbinger] — fared poorly, while the leading opposition Shinshinto (New Frontier Party) enjoyed a big win.

Kono brushed aside comparison of the Sunday poll outcome with the election results three years ago, when the LDP lost heavily due to voter disenchantment with its tax policy and other issues.

Kono pointed out that the political landscape has changed dramatically since then as some members of the LDP have left the party and eventually formed Shinshinto with other opposition parties.

He admitted, however, that the party's election strategy was not very successful.

Kono said the LDP's poor election outcome was due to unexpectedly low voter turnout and the party's tactics to field only one candidate in many multiple-seat constituencies.

Meanwhile, Masayoshi Takemura, who is finance minister and head of Sakigake, acknowledged the failure of his party and said the Murayama administration should place more emphasis on reforms in its policy lines.

Celebrities Fared Well

OW2307152495 Tokyo KYODO in English 1447 GMT 23 Jul 95

[FBIS Transcribed Text] Tokyo, July 23 KYODO — Sports stars, actresses and other celebrities fared well in Sunday's House of Councillors election.

Former Olympic athletes — cyclist and retired speed skater Seiko Hashimoto and retired soccer player Kunishige Kamamoto — from the Liberal Democratic Party (LDP) of the ruling coalition were elected under proportional representation.

Akira Matsu and Kumi Tajima, retired stars of the "Takarazuka" all-women's opera from the main opposition Shinshinto (New Frontier Party) won respectively from the Kanagawa prefectural constituency and through proportional representation.

Shinshinto incumbent Hiroko Hayashi, also a former Takarazuka actress who is known by stage name Chikage Ogi, was reelected under proportional representation to serve a fourth six-year term.

Independent Makiko Suehiro, a radio personality, won in the Aichi prefectural constituency and professional wrestler Hiroshi Hase, an independent supported by the LDP, was elected from the Ishikawa prefectural constituency.

Voters elected 126 members, half of the 252 seats in the second chamber, with 76 elected from prefectural constituencies and 50 through proportional representation.

Former newscaster Kei Hata from Shinshinto also won the upper house race. Shinshinto's announcement of its proportional representation list was delayed when the 17-day official campaign began July 6 because of candidates bickering over rankings on the list.

Shinshinto officials took time to persuade Hata to agree to 16th place on the list while the party was expected at that time to take about 15 seats under proportional representation.

Former newscaster and samurai drama actor Atsuo Nakamura, who ran on the ticket of the small ruling coalition New Party Sakigake, lost in the Tokyo constituency.

Former newscaster and essayist Mieko Kenjo, an independent, also lost in the Tokyo race.

Comedian Yasushi Ono, an independent supported by the LDP, failed in the Tottori prefectural constituency and independent comedian Yoshichi Shimada lost in the Saitama prefectural district.

Simulation Shows NFP Winner

OW2407131295 Tokyo KYODO in English 1058 GMT 24 Jul 95

[FBIS Transcribed Text] Tokyo, July 24 KYODO — The main opposition Shinshinto (New Frontier Party [NFP]) would claim a majority and take the helm of government if the results of Sunday's House of Councillors election were translated into the next general election, simulated projections by KYODO NEWS SERVICE showed Monday [24 July].

If Shinshinto were to enjoy the same support rate in the next House of Representatives poll, to be held under a new system, the party would grab a handsome 251 of the 500 seats, according to the simulation.

The Liberal Democratic Party (LDP), on the other hand, would obtain only 171 seats, down sharply from the current 200, while the Social Democratic Party (SDP), the LDP's ruling coalition partner, would win 53, down from 69.

New party Sakigake [Harbinger], another coalition member, would suffer a devastating defeat, with only four seats, a steep decline from the current 21.

The ruling coalition, with a combined 228 seats, would thus lose its majority, the simulation found.

The next general election will be held under a new system combining 300 single-seat constituencies with 200 seats filled through proportional representation.

In the Sunday upper house poll, Shinshinto, in an impressive advance, secured 40 of the 126 contested seats, while the LDP acquired 49, the SDP 19 and Sakigake three.

The three parties of the coalition currently hold a combined 290 seats of the 511-seat lower house.

Shinshinto would show overwhelming strength in the single-seat constituencies in large cities, while the LDP would dominate those in rural areas.

The single-seat constituencies would be divided up by the two parties, with Shinshinto winning 177 seats and the LDP 105 of the 300 seats, according to the simulated projections.

Commentator on Post-Election Political Confusion

OW2407140895 Tokyo BUNGEI SHUNJU in Japanese Aug 95 pp 280-284

[Article by Taro Akasaka, political commentator: "Hashimoto May Be Unexpectedly Helped Into Premiership Following Murayama's Resignation"]

[FBIS Translated Text] Two days before departing for the Halifax Summit, Prime Minister Tomiichi Murayama invited to a talk Wataru Kubo, secretary general of the Socialist Democratic Party of Japan [SDPJ], with whom Murayama has had a somewhat awkward relationship.

Murayama told Kubo in a low voice: "Now that I am going to the summit, I would like to ask you to do me a favor. Although I am not going to reshuffle the cabinet before the House of Councilors election, I would like you to grasp the interparty situation while I am gone and recommend to me candidates for ministerial positions, in preparation for an unpredicted cabinet reshuffle."

The remarks sounded like Murayama entrusting Kubo with full powers. And nobody was aware that such a meeting had taken place.

Kubo immediately summoned his House of Councilors colleagues. The SDPJ secretary general, who is a member of the House of Councilors, has a strange habit of first consulting with his upper house colleagues on important matters.

Called in were three top SDPJ leaders, including Kazumi Suzuki, chairman of the SDPJ's Diet Administration Committee, and Manso Hamamoto, minister of labor.

This time, Kubo lowered his voice and said: "As a matter of fact, Murayama told me so and so and this is confidential, completely off the record."

After hearing what Kubo had to say, Hamamoto opened his mouth: "Why not take my post after me, Kubo?"

Although Kubo did not answer that, he was said to have been in a good mood throughout the meeting, as a man in charge of party affairs while hospitalized for eye treatment. Kubo had been on record apparently mentioning "Murayama's resignation" by saying that "Prime Minister Murayama cannot evade taking responsibility if the SDPJ suffers a miserable defeat in the election." On 21 June, the day after Murayama's homecoming, Kubo capsulized his previous remarks by saying: "This is the first election conducted under the coalition government's leadership and the results should take into account the number of votes mustered by all coalition parties. Murayama's responsibility as coalition prime minister should be distinguished from that of SDPJ chairman." In other words: "He does not have to resign as prime minister however big the defeat in the House of Councilors election. He only has to say that he will not run for the party's chairmanship."

In the background of the quivering "Kubo statement" is evidence that a tremendous power struggle is going on.

"The Party Will Split" If Kono Succeeds

It is everybody's guess that the Murayama regime will end following the 23 July House of Councilors election.

That possibility is still high at present, but voices are gathering strength that "the SDPJ may win 14-15 seats, contrary to everybody's expectations," and that "it is out of the question to ask for responsibility if the coalition parties win more seats than the previous time."

This may be hard to believe for those in the Liberal Democratic Party [LDP], but the current House of Councilors election, for which the government grants subsidies, is a rarely seen "rich election" as some SDPJ leaders pointed out.

For the first time, the SDPJ was able to hand out "2 million yen per candidate" in the unified local election of prefectural assemblies by borrowing funds from banks by putting the joint signature of the party's central executive committee members on the loans. This could be done by the guarantee of the political party subsidies.

Furthermore, the opposition camp is not one-sidedly as strong as reported.

Both the LDP, which is reported to emerge as a landslide winner, and Shinshinto [New Frontier Party (NFP)] are not rated outstandingly popular.

A series of major incidents, as if suggesting the possible end of the century — the great Hanshin earthquake, sarin-gas attacks on Tokyo subways, the Aum religious cult incident, the assassination attempt on the National Police Agency commissioner general, and the hijacking attempt of an All Nippon Airways airliner — occurred in succession, putting a question mark on the Murayama Cabinet's crisis control ability. Furthermore, the yen's appreciation continued, the stock market plunged to an all-time low, and Japan-U.S. negotiations on automobiles was on the verge of rupture. However, they seemed to contribute to the Murayama Cabinet contrarily winning gushing sympathy.

All of a sudden, unforeseen expectations have emerged that the SDPJ might be able to perform well, even though it cannot win 32 seats as it did three years ago, if it were able to muster enough election funds, so that it can evade the shame of winning less than 10 seats as people say.

When a no-confidence vote on the cabinet was proposed, Murayama received a flood of advice that "as prime minister, this is your only chance to dissolve the Diet." Nodding to the advice by saying "That is right," Murayama did not follow the advice and told his closest colleagues, "That is not so."

He might be thinking that there is still a chance for him to dissolve the Diet by himself.

Certainly, the current political situation is complex, because the LDP has to shoulder difficult problems if Murayama exits.

Keigo Ouchi, known for brightness, makes this analysis: "The first big question is 'whether the LDP will shoulder the regime?' and the second is 'who is going to succeed the predecessor?'"

People are apt to think of competition between Yohei Kono, deputy prime minister, and Ryutaro Hashimoto, minister of international trade and industry, for the posts of LDP president and prime minister. However, the question "whether the LDP would take charge of the regime" is harder to answer than expected.

If the SDPJ, with Sakigake [Harbinger], quits the coalition fold following the Murayama Cabinet collapse, the LDP is no more than a minority government even if it recaptures the "prime minister" post. The Hata Cabinet attests to how miserable such a situation can be.

On top of this, a contest has to be fought between Kono and Hashimoto.

However severe the competition is, there will be no problem if the loser in the election for the LDP presidency meekly accepts the result. However, there is a possibility of the LDP splitting into two camps if Kono and Hashimoto come into a head-on clash.

Furthermore, it cannot be denied that Hashimoto may create an alliance of conservative parties by teaming up with those in the NFP who used to belong to Shinseito [Japan Renewal Party].

Murayama is considered very likely to abdicate from the premiership so that Kono can take over. Murayama asked Kono "to go with me to Paris" to an annual summit meeting between the European Union and Japan. Japanese political circles understood this gesture to be Murayama's "secret pledge to turn over his position."

However, the LDP as an entity cannot be controlled with Kono as president. A number of young party members profess they would split the party if Kono becomes LDP president. Kono is criticized in many ways. Examples are: He "is irresolute," "is taking the political course of nonamendment of the Constitution," and "did not take any action when the Diet adopted a 'no-more-war' resolution." Even such a person as Koichi Kato, chairman of the LDP Policy Research Council, confided he "is disappointed with Kono," a change from his previous position made known to his close associates that "there is no other alternative than accepting Kono."

Among those opposing Kono are two groups — namely, "radicals" and "moderates." Radicals say: "At a single stroke, let us make a splinter group of an 'alliance of conservative parties.'" On the other hand, moderates say: "Let us capture the government by staging a fair and square campaign with Hashimoto as our leader in general elections."

A funny thing in common is that both groups are considering nominating Ryutaro Hashimoto as their candidate for prime minister.

It is natural for the former Obuchi faction, which has been continuously treated coldly, to bring out Hashimoto, who is seemingly popular with the people, as the group's candidate.

Such a movement is led by Seiroku Kajiyama, former LDP secretary general, who came back to the political scene after having refrained from open political activities to take responsibility for the LDP losing its political grip when it was defeated in the last election.

Kono is boiling with rage, with the reasoning that: "It is none other than the Takeshita faction that drove the LDP to the present miserable situation and is it going to come back to the scene to control the political world?"

Indifferent to what Kono intends, attempts are going on under the surface to find common ground to make possible an alliance of conservative parties.

Kanemaru's "Comeback"

Noboru Takeshita bowed at the foot of the table to a man who came in a little late. The man responded in a dignified manner similar to the time when he was prime minister. They exchanged the following conversation

[Takeshita] The no-war resolution is faced with a situation you are familiar with. I would like to have your assistance.

[Nakasone] It is not proper for the legislative body to render an appraisal of history. I think that the administration should handle the matter.

[Takeshita] The cabinet will face difficulties if it fails to have the resolution adopted. I cannot sit idle and watch politics get confused under the current slump economic situation.

[Nakasone] Now that it has become such a big political issue, it may be necessary to compromise on matters not harmful to national interests. Do you not think that Obuchi lacks in leadership to command a big group of people? How about replacing him with Kajiyama?

The controversial "no-war resolution" was adopted in the night of 9 June at the House of Representatives in a simple majority vote with the LDP, the SDPJ, and Harbinger Party voting in favor of the resolution. The stiff and clumsy resolution was generally unpopular, but it played the role of putting a period to the long post-war history. Taken by surprise, NFP members were absent when the resolution was adopted.

It was a result of overcoming a number of ups and downs during the process. Close associates to the top government leaders even suggested: "Let us make the failure in getting the 'no-war' resolution passed our excuse for resignation."

Kubo hinted that "the coalition may be dissolved" and Murayama said he had made up his mind on matters of "grave consequences."

Repulsion within the LDP was unexpectedly severe, exemplified in the following remarks: "After an elapse of such a long time, how can we apologize?"; "Is Japan as a nation going to recognize the deaths of our compatriots in war as dying for no cause?"; and "Will the apology end in more reparations?" The hawks in the LDP were infuriated.

Yasuhiro Nakasone was in front of the hawks and Ryutaro Hashimoto was there, too, as chairman of the Japan Association of War-Bereaved Families.

Takeshita took action to calm Nakasone down. However, this Takeshita-Nakasone meeting had even greater meaning.

At the meeting, Nakasone casually hinted that he would support Kajiyama, who wants to be a king-maker, instead of Hashimoto.

When NFP Secretary General Ichiro Ozawa's mother died, the rumor of restoration of relations with the Takeshita faction surfaced. LDP Vice President Keizo Obuchi canceled plans so he could attend the funeral and had a secret meeting with Ichiro Ozawa at a Mizusawa city restaurant. They agreed that no other candidate would be put on their ticket against former Deputy Chief Cabinet Secretary Nobuo Ishiwara in the gubernatorial election for Metropolitan Tokyo.

Immediately following his return to Tokyo that night, Ozawa called an emergency meeting of his leading staff and related the meeting's results. That was not all. Keiwa Okuda, Kozo Watanabe, and others who are reputed to be arch-enemies of the Takeshita faction began openly meeting with Takeshita faction leaders frequently.

There also is a move to bring former LDP Vice President Shin Kanemaru, who was a "ringleader" of the Takeshita faction's split, out as an "adhesive" to unite the two groups.

The feast held at a Ginza "tempura" restaurant was almost a revival of the time when the Takeshita faction was in its best days.

As if protecting Kanemaru, who has injured eyes, Takeshita sat beside him and Okuda, Watanabe, Obuchi, and others were chatting in a good mood.

It vividly showed that the "alliance of conservative parties" is treated as a synonym of instauration of relations with the Takeshita faction.

This was the second time Kanemaru made a public appearance.

He first appeared publicly when a party was held for a TV station staff member who was moving to a subsidiary firm, because the man had been a devout admirer of Kanemaru. Former Takeshita faction members were on hand at this gathering, too.

That is not all.

Few people visit Kanemaru's residence in Shiranecho, Yamanashi Prefecture, but Prime Minister Tsutomu Hata did.

On the last Saturday in May, Hata reportedly continued to grumble before Kanemaru, who was amazed at Hata "staying for two hours."

Hata could barely hear Kanemaru call Home Affairs Minister Hiromu Nonaka on the phone to say: "Do not say only dreadful things and give Hata a chance to meet you."

Nonaka answered this very smartly: "That is extravagant. The man who served as prime minister belongs to an extraordinarily higher level than I."

Kajiyama, too, engages in seemingly ambitious activities. An article he contributed to the July issue of the monthly magazine BUNGEI SHUNJU under the title "Declaration of My Determined Action" is understood by Kono's close associates to mean that Kajiyama "is interested in becoming a candidate" for the LDP presidency, hence prime minister.

Kajiyama became a target of criticism for his activities before and after the rejection of the no-confidence vote on the Murayama Cabinet.

Immediately before the vote-taking, Kajiyama called the prime minister's residence.

In the 50-minute conference, he exchanged views with Murayama on whether "the Diet should be dissolved" or whether the no-confidence motion should "be rejected quietly."

At that time, Murayama was already determined to "play his trump card" to dissolve the Diet without hesitation and appeal to the people's judgment if the situation indicted that the no-confidence motion would pass because of many renegades.

Kajiyama was confident that the motion would be rejected, saying: "Nobody in the NFP wants to undergo another general election."

Immediately after the conference, however, the NFP submitted a motion of no-confidence on the cabinet.

Thus, those close to Kono assume that "Kajiyama told Ichiro Ozawa on the phone that the prime minister had no intention of dissolving the Diet and that is why a relaxed Ozawa proposed the motion."

Kajiyama was infuriated that he was seen as betraying secrets to the enemy.

In the evening of 14 June, Kajiyama invited his subordinates to a downtown Tokyo restaurant to show his appreciation for their support when he was LDP secretary general, and said: "I have never met Ichiro Ozawa nor called him on the phone. The rumor is intended to split my relations with Kono. Ozawa must have been annoyed."

At the same time, Kajiyama made clear that he wanted to be a king-maker to the end by saying: "I have no qualifications to become 'one' that people label me."

Within the faction are strong forces that oppose an "alliance of conservative parties."

At a staff meeting of the former Obuchi faction, Nonaka, with an angry look, told Kajiyama: "It is no joking matter. If you are going to appease them, I will choke you to death. Look at what happened to Kishiro Nakamura." Kajiyama quickly denied he "had thought anything like that." Obuchi remained wordless.

Meanwhile, plans to back up Hashimoto as a candidate are going on strenuously. A secret surprise plan to let such people kept at a respectful distance from the present leadership as former Deputy Prime Minister Michio Watanabe and former Foreign Minister Hiroshi Mitsuzuka back up Hashimoto is said to be under consideration, because it is considered unwise for the former Obuchi faction to surface.

In the forthcoming general elections, Hashimoto's popularity cannot be ignored. In the first general elections conducted under the single-member constituency system with proportional representation, Diet members are in such a psychological mood that they need any minor element or factor to win support and Hashimoto can be a major, not a minor, factor.

Takeshita was quoted as having said: "It is all right to have an alliance of conservative parties, but it will be annoying if I am isolated" and added, "I cannot tolerate Kaifu becoming a candidate."

With an unpredictable political change ahead, the House of Councilors election publicly announced on 6 July is now in the last campaign phase.

Tax Evasion Forces Diet Member To Resign

OW2307130495 Tokyo KYODO in English 1209 GMT 23 Jul 95

[FBIS Transcribed Text] Nagoya, July 23 KYODO — House of Representatives member Yutaka Kondo expressed his intention Sunday [23 July] to give up his seat four months after he received a jail sentence for tax evasion.

Kondo, a fourth-term independent legislator, quit the now-defunct Japan New Party in December last year after the scandal surfaced. The Japan New Party led by then Prime Minister Morihiro Hosokawa joined forces with other political parties last December to establish Shinshinto (New Frontier Party), the main opposition party.

He received an 18-month jail sentence in the Nagoya District Court for helping his supporters evade income tax by forging fake receipts for political donations.

"I decided to resign to apologize to taxpayers and the people deeply realizing the gravity of the incident," said the 60-year-old Kondo in a statement.

Kondo had his secretary draw up fake political fund reports so as to make it appear he had received huge donations from his supporters, and he submitted the reports to the Aichi Prefectural Election Administration Committee, the court found.

He then fabricated receipts for the nonexistent contributions to help the 16 supporters receive a total of some 41 million yen in rebates on income taxes for 1989 and 1990.

Police Chief Warns of Increase in Gun Smuggling

OW2407144995 Tokyo KYODO in English
0828 GMT 24 Jul 95

[FBIS Transcribed Text] Tokyo, July 24 KYODO — Gunrunning into Japan is becoming more diversified with the addition of China, Russia and South Africa to the former common source areas of the United States and the Philippines, National Police chief Takaji Kunimatsu said Monday [24 July].

Kunimatsu, head of the National Police Agency, told a Tokyo meeting of police gun and drug control department chiefs, "the state of gun and drug policy has a bearing on the country's future, and we need to plan for the exposure and elimination of gun smuggling and selling routes."

The number of guns smuggled into Japan in the first half of 1995 was considerably more than for the same period last year and the guns were from a greater diversity of sources, according to the agency officials.

The number of guns confiscated by police in the first six months of this year was 931, up from 789 for the same period in 1994, the officials said.

On July 17, police also detected that some 1,500 guns have been smuggled into the country on a Japanese tuna fishing boat from South Africa.

Kunimatsu said illegal stimulants were also found smuggled from Thailand for the first time, and the number of incidents involving the drug hemp has increased greatly.

Kunimatsu was shot by an unidentified man in front of his condominium in Tokyo's Arakawa ward on March 30, 10 days after the Tokyo subway gas attack in which the Aum Shinrikyo religious sect is suspected of involvement.

The shooting took place amid ongoing police raids on Aum facilities and Kunimatsu was responsible for supervising the police investigation into the cult.

North Korea

'New Peace Guarantee System' Urged

SK2507114895 Pyongyang Korean Central Broadcasting Network in Korean
0754 GMT 25 Jul 95

[Unattributed talk: "A New Peace Guarantee System Should Be Established on the Korean Peninsula"]

[FBIS Translated Text] Today, when the cold war is over, confrontation and the force-oriented policy of the cold war era still remain on the Korean peninsula. The way to alleviate the aggravating tense situation has not been found yet. Presently, the only way to end the tense situation and stop confrontation on the Korean peninsula is to end the unstable armistice situation and establish a new peace guarantee system.

The great leader Comrade Kim Il-song taught that the only way to ease the tense situation and eliminate the risk of war in our country is to replace the Armistice Agreement with a peace agreement. Modern history has never seen such an armistice status that has continued for more than 40 years on the Korean peninsula with massive weapons standing face to face in a dangerous situation close to a brink of war. The Korean Armistice Agreement was originally signed with the prospects to end the war situation; it was to guarantee constant peace and politically resolve the Korean issue. However, the agreement failed to fulfill its mission for decades.

As has been disclosed, since the moment the United States signed the Korean Armistice Agreement it has unilaterally violated the agreement in a systematical way, and has broken the armistice supervisory organization. The United States violated the provision on suspending the influx of troops and operational materials from outside the Korean territory, and brought in a large volume of nuclear weapons and weapons of mass destruction to South Korea, making the place the largest nuclear war base in the Far East. The United States also forcibly withdrew from its area the inspection teams of the Neutral Nations Supervisory Commission, which was organized under the provision of the Armistice Agreement.

Moreover, the United States designated a general of the South Korean puppet army, who is not qualified or authorized and not even a party to the Armistice Agreement, as the senior member of the U.S.-side Military Armistice Commission, thus completely paralyzing the function of the armistice supervisory commission. Under such conditions, we could not help but take steps to prevent war and safeguard peace by establishing a new peace guarantee system rather than maintaining the old armistice system.

The Korean People's Army mission to Panmunjom took a series of measures, including sealing off the Neutral Nations Supervisory Commission building that was managed by the DPRK, and blocking our part of the joint security area at Panmunjom. We will take more measures concerning the status of the DMZ [demilitarized zone]. The measures were inevitable because the United States used the old armistice system of the Korean peninsula for its insidious purpose and turned its back to our proposal for a peace guarantee system.

Following the announcement of our proposal for a new peace guarantee system, the United States even used the broken Korean armistice system to strengthen its arms buildup and war commotions. The United States instigated the South Korean ruling camp to build up large-scale fortress positions and military facilities in the South-side of the DMZ, deploy a large volume of heavy weapons, and mobilize numerous armed bandits in the area to conduct military provocations against us every day. This in effect shows that the South-side of the DMZ is not a buffer area for preventing armed conflict between the two sides, but has turned into an attack position for a northward aggression, and that a new war may flare up any moment on the Korean peninsula.

Establishing a new peace guarantee system is also imperative to the implementation of the DPRK-U.S. agreed framework. The basic obstacle to implementing the agreement is the fact that the United States is still adopting a hostile policy towards our country. This shows that the DPRK-U.S. agreed framework can be properly implemented only when a new peace guarantee system is established in place of the Armistice Agreement system that defines the two countries' relations as hostile parties.

At present, nothing is more important and urgent than establishing a peace guarantee system on the Korean peninsula. Now is the time for the DPRK and the United States to sincerely discuss this issue and seek a resolution. A system guaranteeing peace on the Korean peninsula is beneficial to the United States. It is also in accordance with the trend of the current international situation. Instead of responding to our proposal for establishing a realistic new peace guarantee system, the United States has turned its back and has adhered to improper sophism. The United States has created such public opinions as though someone else broke the Armistice Agreement, played tricks to make people believe the party concerned with the peace talks is someone else, and refused to hold DPRK-U.S. peace talks on the establishment of a new peace guarantee system.

U.S. bellicose circles insist on the current armistice situation, which is a relic of the Cold War era, because they do not have the will to eliminate tensions, prevent war, and maintain peace on the Korean peninsula. This only proves that their force-oriented policy to isolate and crush our republic remains unchanged. Replacing the armistice situation with a peace situation can be solved only by the DPRK and the United States, which are the actual parties concerned with the signing of the Armistice Agreement and which have the real power to guarantee peace on the Korean peninsula.

The United States should stop turning its back on the issue of establishing a new peace guarantee system. We will continue to seek necessary measures to prevent a war and defend peace in Korea. The problem is what position our negotiation partner, the United States, takes on our proposal for establishing a peace guarantee system. No power in the world can stop our just cause to defend the peace of the country and the security of the nation.

Kim Yong-sam's Trip to U.S. Denounced

'Treacherous Junket'

SK2507035695 Pyongyang Korean Central Broadcasting Network in Korean 1224 GMT 24 Jul 95

[NODONG SINMUN 24 July Commentary: "Flunkeyist, Treacherous Junket of a Colonial Puppet"]

[FBIS Translated Text] On 22 July, traitor Kim Yong-sam began his junket to the United States.

The puppet traitor advertised as though he would do something big during his junket to the United States. However, this is only a flunkeyist, treacherous junket of a colonial puppet.

This can be seen from the puppet traitor's boisterous acts prior to his U.S. junket. At a scene of riotous eating with state ministers before his junket to the United States, traitor Kim Yong-sam raised his voice to call on them to fulfill their responsibilities. In addition, he called on the military and the police to assure doubled security with a perfect defense posture and maintenance of public security during his U.S. visit. Following the puppet traitor's order, the entire puppet armed forces and all the police forces in South Korea went on alert.

If his junket to the United States is an aboveboard action under normal circumstances, why would he need to resort to such perplexing commotions which only serve to drive South Korea into bloody fear? Those who have committed crimes are bound by fear. South Korea has turned into a notorious land permeated with the bitter grudges of the people. It has been nearly a month since an unprecedented calamity took place with the collapse of the Sampoong department store. However, the mourning by the bereaved families who failed to find the bodies of their loved ones has reached the sky. It is evident that he schemed these complicated commotions out of a sense of guilt at going abroad in the middle of this situation.

What cannot be ignored is that the puppet traitor, who babbled about resuming a North-South dialogue, is aggravating the situation by ordering the entire puppet military and police to assume an alert posture by using such words as perfect defense posture and maintenance of public security. This is obviously a provocation aimed at us, a declaration of confrontation with us, and a reckless spasm of war servants to start a war of northward aggression against us in conspiracy with outside forces. We will never tolerate the imprudent acts of the puppets to provoke us again and will make them dearly pay for it.

What enrages us is the plan of the traitor Kim Yong-sam to take part in an inaugural ceremony on 27 July, which is our victory day, at the memorial park marking U.S. participation in the Korean war.

As the entire world knows, the Korean war was a war of aggression provoked by the U.S. imperialists and the South Korean puppets. The U.S. imperialists misjudged the Korean people and suffered unprecedented defeat in the war which they hastily entered. Nonetheless, the United States, instead of learning a lesson from it, has created a monumental park with monumental statues, and is attempting to hide the history of invading Korea and its defeat in Korea under the guise of so-called justice and victory. Now, the United States is instigating a provocation of a second Korean war.

Kim Yong-sam's visit to the United States, where anti-DPRK plots were hatched, is an unpardonable mockery of and a crime against the Korean people and the conscience of humanity.

Prior to his departure, traitor Kim Yong-sam babbled that he would make a speech during his U.S. junket commemorating the contributions of U.S. soldiers in the war and rattled about how the United States was a close ally of South Korea and how the two countries shared blood-tied relations forged during the Korean war. This clearly shows the flunkeyist, treacherous nature as well as the criminal intention of this recent junket.

There is the saying, "Birds of a feather flock together." It is clear that Kim Yong-sam intends to curry favor with his masters on our victory day by fanning their aggressive ambition with outcries about false victory and justice during his junket to the United States, the vanquished country in the Korean war. Such a thing can be only done by the flunkeyist traitor Kim Yong-sam who has not a drop of the nation's blood.

Traitor Kim Yong-sam even uttered a silly remark that he will discuss the issue on establishing a peace system on the Korean peninsula with his U.S. masters. However, the issue on establishing a peace system on the Korean peninsula can only be discussed between the United States and us, the parties concerned. The Kim Yong-sam ring, which is nothing but a colonial puppet without any power, is not entitled to intervene in this issue. Such ridiculous remarks by a villain is enough to be laughed at and denounced by the people of the world.

Traitor Kim Yong-sam's junket to the United States is nothing but a new flunkeyist and treacherous gambling to harm his fellow countrymen with the backing of outside forces. Due to the repeated failures of domestic and foreign policies, defeat in the elections for the local autonomous system, and the collapse of the Sampoong department store, the people are calling for the overthrow of the Kim Yong-sam regime and it stands on the edge of a precipice.

The Kim Yong-sam ring is selling out the country and the nation's interests and currying favor with its masters to search for a way out of its crisis. However, the colonial stooge's destiny has already been set. South Korean people have long branded traitor Kim Yong-sam as an unparalleled traitor who cannot live under the same roof, and sentenced him with a political death sentence. There is no alternative for him but to submit to the grave sentence given by the people.

Intended To Improve Image

*SK2507050095 Pyongyang KCNA in English
0425 GMT 25 Jul 95*

["Kim Yong-sam Has Nothing To Get From Treacherous Trip" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 25 (KCNA) — MINJU CHOSON today describes the traitor Kim Yong-sam's U.S. trip as a flunkeyist, treacherous junket of a colonial stooge and an offspring of the colony's ruling crisis.

During the trip, he will reportedly participate in the "opening ceremony of a park commemorating those who took part in the Korean war" and discuss with his master on the "peace-keeping system" in the Korean peninsula, etc, the analyst says, and goes on:

The "opening ceremony of the park" is an anti-DPRK burlesque the United States contrived to cover up its true color as the provoker of the Korean war. Kim Yong-sam, however, is going to participate in it in the hope of winning his master's favor in return for fawning on him feeling lonesome.

The establishment of a peace mechanism in the Korean peninsula is a matter to be resolved by the DPRK and the U.S. It is ridiculous of the traitor Kim Yong-sam without elementary power and qualification to try to poke his nose into this matter, without minding p's and q's. This is really a foolish act aimed at balking at a solution to the issue and, at the same time, making impressions that he has a power.

What is more serious is that, leaving for the trip, Kim Yong-sam cried for "perfect defence posture" and "maintenance of public security." This is enough to show how heinous warmaniac and fascist dictator he is.

His U.S. trip is, in the final analysis, intended to improve, if only a little, his tarnished public image, stand high in his master's favor and prolong his days under the U.S. aegis. But nothing can give him a way out.

South's Decision on Festival Decried

SK2507054995 Pyongyang KCNA in English 0419 GMT 25 Jul 95

["South Korean Authorities Reveal Again Their Intention for Division" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 25 (KCNA) — A spokesman for the "National Unification Board" of South Korea said it was decided not to allow the Panmunjom joint function for the grand national reunification festival marking the 50th anniversary of the country's liberation as the authorities had already "stated", Seoul-based radio said.

This cannot be allowed as it is an intolerable challenge to the 70 million fellow countrymen who wish to bring about a new turn for reunification of the country on the occasion of the 50th anniversary of national liberation.

A joint agreement of the North, South and overseas preparatory committees which was recently published is not the unilateral intention of any side. It reflects the common desire and will of Koreans in the North, South and abroad.

To support or oppose the opening of the grand national reunification festival is a touchstone that distinguishes between patriotism and treachery, reunification and division, dialogue and confrontation.

The South Korean authorities revealed again their real nature as separatists by not allowing the Panmunjom joint function for the grand national reunification festival.

It must not go unnoticed that the South Korean puppets "sternly warned" the South side preparatory committee over the contact it had with the North side preparatory committee through fax, invoking "law on exchange and cooperation between North and South" which they had made at will. It is useful for national reconciliation and unity that divided fellow countrymen meet each other and freely exchange their views. It is no crime by any means.

The South Korean authorities are clamouring for "resumption of dialogue between North and South" and "reconciliation and cooperation", but facts show that they have no intention of negotiation and no will of national reunification and regard confrontation and division as the only way out.

The 70 million fellow countrymen will show no mercy for the Kim Yong-sam group who follow confrontation and division against the trend of the times.

'Rigmarole' Casts 'Chill'

SK2507103295 Pyongyang KCNA in English 1012 GMT 25 Jul 95

["Anti-Reunification, Fascist Blast" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 25 (KCNA) — A spokesman for the puppet National Unification Board of South Korea recently said that it "would not allow" an August 15 joint ceremony of the nation the holding of which was agreed upon by Koreans in the North, South and abroad, in accordance with a "decision" in this regard, and "gravely warned" the South side preparatory committee of the ceremony over its contact with the North, describing it as a violation of the "law on inter-Korean exchange and cooperation."

Pyongyang-based papers today view his utterances as one more unpardonable, anti-national, anti-reunification rigmarole to cast a chill over the desire of the fellow countrymen for national reunification.

An analyst of NODONG SINMUN says:

The fellow countrymen have lived separated into the North and South for half a century. They want to sit and work together to find a solution to the reunification question. But, the Kim Yong-sam group announced that it would not allow it. The group is, in the final analysis, a herd of arch traitors with not a drop of blood as a Korean.

The puppets' crying about "not allowing" the joint ceremony of the nation for reunification and "warning" in this regard is a last-ditch effort of those who are forsaken by the nation, fearful of reunification and driven to a tight corner.

The reunification train carrying Koreans in the North, South and abroad has already headed for Panmunjom. No one on earth can block it.

The South Korean ruling quarters should look squarely at the vigorous current of the nation toward reunification and remove the checkbar lying on the road to the grand national reunification festival.

A MINJU CHOSON analyst notes that the Kim Yong-sam group is engaged in a far-fetched argument under untenable excuses because it is fearful of a meeting of the people in the North and South as well as reunification desired by the whole nation.

15 Aug Festival 'Grand Plaza' of Reconciliation

OW2107222895 Pyongyang KCNA in English 2216 GMT 21 Jul 95

[FBIS Transcribed Text] Pyongyang, July 21 (KCNA) — To achieve the great unity of our nation, the driving force of national reunification, is a decisive guarantee for the independent and peaceful reunification of the country, declares NODONG SINMUN in a by-lined article today.

What is important in achieving the great unity of the nation at the present juncture is to fully implement "10-point programme of the great unity of the whole nation for the reunification of the country" advanced by the great leader President Kim Il-song, the author of the article says, and continues:

This programme is a great reunification one which indicates the shortest cut to the reunification in the 1990s.

The grand national reunification festival celebrating the 50th anniversary of national liberation which will be attended by all the people from political parties, groupings and social strata in the North, the South and overseas around August 15 this year has particular importance in dispelling misunderstanding and mistrust within the nation and achieving national reconciliation and unity. This festival is a gathering for nationwide dialogue which will pool the minds of all segments of people in the North, the South and overseas who aspire after reunification. This will become a grand plaza of national reconciliation, unity and reunification, the first of its kind in the history of the national reunification movement spanning half a century. All the fellow countrymen must successfully hold this festival of August 15 at any cost by smashing obstructive moves of the splittists at home and abroad, thus making a new turning-point in national reconciliation and unity and opening up a new phase in achieving the reunification in the 90s.

In order to achieve the great national unity, it is imperative to strengthen nationwide solidarity and briskly conduct a joint action in the struggle for national reunification.

Committee Sent Letters on Reunification Festival

SK2507060595 Pyongyang KCNA in English 0438 GMT 25 Jul 95

[FBIS Transcribed Text] Pyongyang, July 25 (KCNA) — Political parties and organisations in the northern half of Korea sent congratulatory telegrams and letters to the national preparatory committee over its formation for the grand national reunification festival marking the 50th anniversary of the country's liberation.

The Central Committee of the Social Democratic Party of Korea and the Central Committee of the Chondoist Chongu Party sent messages of greetings to the national preparatory committee.

The messages were also sent by the Central Committee of the Democratic Front for the Reunification of the Fatherland, the Committee for the Peaceful Reunification of the Fatherland, the Central Committee of the General Federation of Trade Unions of Korea, the Central Committee of the League of Socialist Working Youth of Korea, the Central Committee of the Union of Agricultural Working People of Korea, the Central Committee of the Korean Democratic Women's Union, the North side headquarters of the National Alliance for the Country's Reunification, the North side headquarters of the National Alliance of Youth and Students for the Country's Reunification, the Central Committee of the General Federation of the Unions of Literature and Arts of Korea, the Central Committee of the Korean Journalists Union, the Consultative Council of Former South Korean Politicians in the North for the Promotion of Peaceful Reunification, the Central Committee of the Korean Christian Federation, the Central Committee of the Korean Roman Catholic Association, the Central Guidance Committee of the Korean Chondoist Association, the Central Committee of the Korean Buddhist Federation, the Korean Democratic Lawyers Association, the Korean Students Committee, the Korean National Peace Committee, the Korean Anti-Nuke Peace Committee and other organisations.

They said the inauguration of the national preparatory committee shows well that though the fellow countrymen live separated in North, South and abroad and have different ideas, political views and religious beliefs, their mind toward reunification is one. This is another victory of the internal patriotic forces for reunification, they added.

They expressed the conviction that the national preparatory committee will overcome all kinds of obstructive moves of the separatists at home and abroad, successfully promote the grand national reunification festival in a unified way in accordance with the desire and expectation of the whole nation and surely realise the grand national meeting.

Social Organizations Send Letters to South

SK2507102195 Pyongyang KCNA in English 1003 GMT 25 Jul 95

[FBIS Transcribed Text] Pyongyang, July 25 (KCNA) — Social organisations in the northern half of the country sent letters to various organisations in South Korea on July 24 for a successful holding of the grand national reunification festival marking the 50th anniversary of the country's liberation.

The Central Committee of the General Federation of the Unions of Literature and Arts of Korea, the Central Committee of the Korean Journalists Union and the Korean Religionists Council sent letters respectively to the General Union of the National Artists of South Korea, the South Korean Journalists Association and the South Korean Religionists Council for National Reconciliation and Reunification.

The letters said that it is of great significance in promoting reconciliation and unity of the nation and bringing about a decisive phase for the country's reunification that the fellow countrymen in the North and South of Korea and overseas sit together and hold the grand reunification festival common to the nation on August 15 this year.

They said the whole nation are actively promoting preparations for the grand national reunification festival in step with each other irrespective of differences in ideology, ideal, religious belief and residence. However desperate the separatist forces, which do not want reunification, may try to frustrate the festival, they will not be able to block the great advance of the nation toward the festival, they said, expressing the conviction that the organisations in South Korea will smash the obstructive moves of the separatists and vigorously struggle for a successful holding of the festival.

NDFSK's Havana Chief Talks on Radio Havana

SK2407113095 Pyongyang KCNA in English 1012 GMT 24 Jul 95

[FBIS Transcribed Text] Havana, July 22 (KCNA) — Chief of the mission of the National Democratic Front of South Korea [NDFSK] in Havana Pak Kwang-ki made an address over Radio Havana International for the Korean residents in the United States under the title "Confederacy Is Most Realistic Way for Reunification" on July 20.

He said there is no doubt that if the grand festival for national reunification marking the 50th anniversary of the August 15 liberation is successfully held, it will demonstrate to the world that the Koreans are a homogeneous nation with the same blood and motherland even though they lived separated into the South and the North for 50 years. He went on:

An avenue for channelling the nation's aspiration and strength for reunification will be opened if the representatives of all parties, groupings and strata within and outside Korea hold a great national conference and pool their intention and wisdom and define the nation's common way for reunification during the festival.

He called on the whole nation at home and abroad to struggle to successfully hold a great national conference, irrespective of differences in idea and ideology, party affiliation and political view, so that the nation can be reunified in the 90s.

Kang Song-san Sends Condolences to Thai

SK2207211995 Pyongyang KCNA in English 1459 GMT 22 Jul 95

[FBIS Transcribed Text] Pyongyang, July 22 (KCNA) — Kang Song-san, premier of the Administration Council, sent a message of condolence to Banhan Sinlapa-acha, prime minister of Thailand.

Upon hearing the sad news that the mother of his majesty the king died of an illness, I express deep condolences to you, the prime minister, and the bereaved family of the deceased, said the message.

Cambodian People's Party Replies to WPK Note

SK2307112395 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 20 Jul 95

[FBIS Translated Text] The Central Committee of the Workers Party of Korea [WPK] received a reply from the Central Committee of the Cambodian People's Party to its congratulatory message on the occasion of the 44th anniversary of the founding of the Cambodian People's Party.

The message is as follows:

Pyongyang

To the WPK Central Committee

In the name of the members of the Cambodian People's Party and the Cambodian people, we express deep gratitude to the WPK Central Committee for its congratulatory message on the occasion of the 44th anniversary of the founding of the Cambodian People's Party.

We firmly believe that the relations of friendship, unity, and cooperation between the two parties and two peoples will further develop for the common interests of Cambodia and the DPRK.

The relations of friendship, unity, and cooperation between the two parties and two peoples will further strengthen and develop in the future.

[Signed] The Central Committee of the Cambodian People's Party

[Dated] 30 June 1995, Phnom Pehn

Youth Group Departs for Cuba

SK2207212295 Pyongyang KCNA in English 1501 GMT 22 Jul 95

[FBIS Transcribed Text] Pyongyang, July 22 (KCNA) — A delegation of Korean youth led by Kim Tong-nyon, vice-chairman of the C.C. [Central Committee], the League of Socialist Working Youth of Korea, left here today by train to participate in the international youth festival which will be held in Cuba.

Foreign children's camping groups arrived here today for an International Children's Camping in Songdowon.

Visit of Turkmen Delegation Covered

Delegation Arrives

SK2207212595 Pyongyang KCNA in English 1502 GMT 22 Jul 95

[FBIS Transcribed Text] Pyongyang, July 22 (KCNA) — A delegation of the Democratic Party of Turkmenistan led by Musayev Onzhik, first secretary of the political council of the party, arrived in Pyongyang today.

It was met at the airport by secretary of the Central Committee of the Workers' Party of Korea Hwang Chang-yop.

Visits Kim Il-song Statue

SK2307083895 Pyongyang KCNA in English 0816 GMT 23 Jul 95

[FBIS Transcribed Text] Pyongyang, July 23 (KCNA) — A delegation of the Democratic Party of Turkmenistan led by Musayev Onzhik [spelling of name as received], first secretary of the Political Council of the party, on July 22 visited the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang to pay homage to him.

Present there was Secretary of the Central Committee of the Workers' Party of Korea Hwang Chang-yop.

The members of the delegation laid bouquets before the statue and made a bow.

Hosted at Reception by WPK

SK2307090895 Pyongyang KCNA in English 0830 GMT 23 Jul 95

[FBIS Transcribed Text] Pyongyang, July 23 (KCNA) — The Central Committee of the Workers' Party of Korea [WPK] gave a reception at the Mansudae Assembly Hall on the evening of July 22 for a delegation of the Democratic Party of Turkmenistan which arrived here Saturday [22 July].

Speaking at the reception, Hwang Chang-yop, secretary of the Central Committee of the WPK, said that the Democratic Party of Turkmenistan has shaped its strategy and tactics in good time to suit the changed situation and made great achievements through the skillful organisational and political work to unite the party and the masses around President Niyazov, chairman of the party.

We support the slogan "People, motherland and head of Turkmenistan" put up by the Democratic Party of Turkmenistan and the popular policy of the party and the government and wished them great success in carrying out the plan "10 years for wellbeing" set as the program of the country's economic development, Hwang noted.

For the two parties to visit each other and exchange experience and strengthen and develop the bonds of friendship will conform to the interests of the two parties and the two peoples, he said, adding: The WPK will in the future, too, make all efforts to strengthen and develop friendship between the two parties on the principle of mutual respect and comradely cooperation.

Head of the delegation Musayev Onzhik [spelling of name as received], first secretary of the Political Council of the Democratic Party of Turkmenistan, said in his speech that they witnessed the efforts of the friendly Korean people from the moment they arrived in the Democratic People's Republic of Korea. He noted that they were struck with admiration at the achievements made by the Korean people under the wise leadership of Comrade Kim Chong-il, the supreme leader.

Conveying the friendly greetings of Comrade Niyazov, president of Turkmenistan, to the Korean people, he said that the delegation's visit is to develop the friendly relations between the two parties and the two countries.

Holds Talks With WPK

SK2407051295 Pyongyang KCNA in English 0459 GMT 24 Jul 95

[FBIS Transcribed Text] Pyongyang, July 24 (KCNA) — Talks were held here on July 23 between a delegation of the Workers' Party of Korea [WPK] and the visiting delegation of the Democratic Party of Turkmenistan.

Present at the talks on the WPK side were Secretary of the party Central Committee Hwang Chang-yop, Vice Director of a Department of the Party Central Committee Chi Chae-yong and other officials concerned and on the opposite side were the members of the delegation led by Musayev Onzhik, first secretary of the political council of the party.

At the talks, the sides informed each other of the activities of their parties and discussed how to develop the friendly relations between the two parties and the two countries onto a new higher stage.

The talks took place in a friendly atmosphere.

Visits Kumsusan

SK2407051795 Pyongyang KCNA in English 0502 GMT 24 Jul 95

[FBIS Transcribed Text] Pyongyang, July 24 (KCNA) — A delegation of the Democratic Party of Turkmenistan led by Musayev Onzhik, first secretary of the political council of the party, visited Kumsusan Memorial Palace, the supreme holy house of chuche, where the great leader President Kim Il-song is preserved in state, on July 23 and made bows to him.

The head of the delegation wrote in the visitor's book that he was deeply impressed by the activities of the great leader of the Workers' Party of Korea and the Democratic People's Republic of Korea Comrade Kim Chong-il, the faithful heir to Comrade Kim Il- song.

He said that they conveyed to him warm greetings and feelings of ardent reverence of Comrade Niyazov, who is the leader of Turkmenistan, an excellent man, the chairman of the Democratic Party and the president of Turkmenistan.

On July 22, a delegation of the Shandong Provincial Committee of the Communist Party of China led by Deputy Secretary Li Wenquan also paid homage to President Kim Il-song.

Presents Gift for Kim Chong-il

SK2407152495 Pyongyang KCNA in English 1503 GMT 24 Jul 95

[FBIS Transcribed Text] Pyongyang, July 24 (KCNA) — The great leader Comrade Kim Chong-il received a gift from S.T. Niyazov, chairman of the Democratic Party and president of Turkmenistan. It was handed to secretary of the Central Committee of the Workers' Party of Korea Hwang Chang-yop by first secretary of the political council of the Democratic Party of Turkmenistan Musayev Onzhik on a visit to Korea.

Cooperation Agreement Signed

SK2507052295 Pyongyang KCNA in English 0420 GMT 25 Jul 95

[FBIS Transcribed Text] Pyongyang, July 25 (KCNA) — An agreement on mutual cooperation was reached between the Workers' Party of Korea and the Democratic Party of Turkmenistan on July 24. The two sides agreed to develop cooperative relations between the two parties on the basis of independence, quality, mutual respect, trust and noninterference in other's internal affairs, inform each other of their experience in party activity and building and exchange delegations.

Meets With Vice President

SK2507055195 Pyongyang KCNA in English 0411 GMT 25 Jul 95

[FBIS Transcribed Text] Pyongyang July 25 (KCNA) — Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK] and vice-president, Monday met and had a friendly talk with the delegation of the Democratic Party of Turkmenistan led by Musayev Onzhik, first secretary of the Political Council of the party, at the Mansudae Assembly all.

On hand was Chi Chae-yong, vice-director of a department of the WPK Central Committee.

On the occasion the head of the delegation conveyed the cordial greetings of Niyazov, chairman of the Democratic Party and president of Turkmenistan, to the great Comrade Kim Chong-il, the supreme leader of the Democratic People's Republic of Korea.

He said that through his Korea visit he saw with his own eyes the Korean people respecting and holding in high esteem the great leader Comrade Kim Il-song and the great leader Comrade Kim Chong-il and the achievements made in industrial, agricultural, cultural and all other fields.

Turkmenistan has set a clear target to develop the economy independently as Korea does, he said. He expressed the hope that the two parties and the two countries would develop friendly relations on the basis of mutual understanding and trust.

Departs 25 Jul

SK2507110895 Pyongyang KCNA in English 1025 GMT 25 Jul 95

[FBIS Transcribed Text] Pyongyang, July 25 (KCNA) — The delegation of the Democratic Party of Turkmenistan headed by Musayev Onzhik, first secretary of the Political Council of the party, left here for home today.

Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, saw off the delegation at the airport.

During its stay, the delegation visited Mangyongdae, the party founding museum, the Tower of the Chuche Idea, the three-revolution exhibition, the Grand People's Study House, the Mangyongdae School Children's Palace and other places.

Anniversary of Egypt's Revolution Observed

SK2307091495 Pyongyang KCNA in English 0845 GMT 23 Jul 95

["43d Anniversary of Revolutionary Day of Egypt Observed" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 23 (KCNA) — NODONG SINMUN today dedicates a signed article to the anniversary of the revolutionary victory of the Egyptian people.

The history of the Egyptian people over the 43 years after the victory in revolution is days of the struggle and creation for the independent development and prosperity of the country, the paper says, and goes on:

The Egyptian people have waged the struggle to check all sorts of aggression and interference of the imperialists and Zionists and to achieve social progress.

The government and people of Egypt have pushed ahead with the building of a new society on the basis of the success.

The Egyptian Government has pursued the policy of non-alignment externally, opposed aggression and war and demanded a peaceful solution to all disputes. And it has sincerely striven for peaceful settlement of the Middle East issue.

The friendly and cooperative relations between the two countries have developed on good terms in the idea of independence, peace and friendship.

The Korean people extend warm congratulations to the Egyptian people on the anniversary of the revolutionary victory and sincerely wish them greater success in their struggle to build an independent and prosperous new society.

Anniversary of Relations With Sri Lanka Noted

SK2407112695 Pyongyang KCNA in English 1023 GMT 24 Jul 95

[FBIS Transcribed Text] Pyongyang, July 24 (KCNA) — Foreign Minister Kim Yong-nam exchanged messages of greetings with his Sri Lankan counterpart Lakshman Kadirgamar on the occasion of the 25th anniversary of the establishment of diplomatic relations between the Democratic People's Republic of Korea and the Democratic Socialist Republic of Sri Lanka.

Kim Chong-il Receives Messages From Abroad

SK2207043395 Pyongyang KCNA in English 0422 GMT 22 Jul 95

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, July 22 (KCNA) — The great leader Comrade Kim Chong-il received messages from General Secretary of the United Left Movement of Dominica Miguel Mejia, General Secretary of the Movement for Peace and Socialism of Italy Roberto Gabriele, Chairman of the Central Committee of the Belgian Labour Party Ludo Martens and Chairman of the Social Communist Party of Angola Francisco Dissaxi on the occasion of the first anniversary of the death of the great leader President Kim Il-song.

In the messages they express deepest condolences with bitter grief and reverence to Comrade Kim Chong-il and the Korean people, their intimate friends, on the first death anniversary of his excellency President Kim Il-song.

They note that the undying feats his excellency President Kim Il-song performed for the Korean revolution and humankind will be everlasting.

They sincerely hope that his excellency Kim Chong-il will make great achievements in his noble work to successfully accomplish the revolutionary cause of President Kim Il-song and enjoy good health and a long life for the prosperity of the country and the happiness of the people.

More Notes Received

SK2507055295 Pyongyang KCNA in English 0405 GMT 25 Jul 95

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, July 25 (KCNA) — The great leader Comrade Kim Chong-il received messages from foreign party leaders on the occasion of the first anniversary of the great leader President Kim Il-song's death.

Among them are president of the Central Committee of the United People's Front of Nepal Niranjan Govind Vidya, leader of the United Republican Party of Guyana Leslle Ramsammy, co-leader and chairman of the executive committee of the Working People's Alliance of Guyana Ruperh Roopnarine and national leader of the Communist Party (Marxist-Leninist) of Canada Hardial Bains.

The messages express deep condolences to Comrade Kim Chong-il, the Workers' Party of Korea [WPK], the DPRK Government and people on the occasion of the first anniversary of President Kim Il-song's death.

They note that Comrade Kim Il-song enjoyed highest respect from the world progressive people, who are highly praising his great contribution to world independence and socialism.

Thy wish Comrade Kim Chong-il, the WPK, and all the Korean communists success in the struggle for independence, socialism and peaceful reunification of the nation without foreign interference.

Kumsusan Palace Hailed as 'Holy Land of Chuche'

SK2407052495 Pyongyang KCNA in English 0508 GMT 24 Jul 95

["People Look Up to Supreme Holy Land of Chuche" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 24 (KCNA) — NODONG SINMUN on July 23 carried a signed article under the title "All People Look Up to the Supreme Holy Land of Chuche."

There is no such holy land in the world as the supreme holy land of chuche where a peerless man is preserved in state, a great idea shines and immortal exploits are accumulated, the paper said, and went on:

The supreme holy land of chuche is a holy land of the great idea where the great father who created the origin of socio-political organism is preserved in state and is still leading the cause of the popular masses for independence.

The fatherly leader Comrade Kim Il-song gave a new life to modern humankind and founded the great socio-political organism.

The respected leader is the great patron and father of our people, as he gave them precious socio-political integrity and cared for them.

The supreme holy land of chuche is a place associated with the noble intention of respected Comrade Kim Chong-il, who holds in high esteem Comrade Kim Il-song and opens the era when people win victory after victory on the strength of the socio-political organism, along the road indicated by him.

The supreme holy land of chuche is the noblest and brilliant great holy land in the world because the immortal chuche idea founded by the great leader Comrade Kim Il-song shines.

The exploits of the great leader, who founded the chuche idea, the highest peak in history of human ideology, will shine in "Chuche Idea Works Exhibition."

The exhibition is being built in Kumsusan Memorial Palace.

The holy land is where immortal exploits of the great leader, who led the revolutionary struggle and construction work to victory, shine. It is proud of the long history of our people and scenic beauty.

Kumsusan Assembly Hall, where Comrade Kim Il-song lived for a long time until the last days of his life and guided party and state affairs and made great contributions to our revolution and global independence, was consecrated as Kumsusan Memorial Palace by Comrade Kim Chong-il.

People Visit Kumsusan

SK2307083995 Pyongyang KCNA in English 0824 GMT 23 Jul 95

[FBIS Transcribed Text] Pyongyang, July 23 (KCNA) — More than ten days passed since the great leader Comrade Kim Chong-il cut off a red tape on July 8 to solemnly declare the opening of Kumsusan Memorial Palace where the great leader President Kim Il-song is preserved in state.

In this period, visiting the sacred great seat of revolution, carrying with yearning and warm reverence for President Kim Il-song, were officials of the party and power bodies, administration and economic organs and public organisations, anti-Japanese revolutionary fighters, those who had relations with him or were received by him in his lifetime, persons of distinguished service from throughout the country, men of science, education, culture and art, public health and the press, officers and men of three services of the Korean People's Army [KPA], members of public security, bereaved families of revolutionary martyrs, and working people in Pyongyang.

Before the statue of President Kim Il-song, the founder and builder of our party, state and army and the father of socialist Korea, they reflected on the rigorous road of revolution they covered invariably and stoutly along the party and solemnly took a pledge of loyalty to firmly rally around Comrade Kim Chong-il, the centre of unity and centre of leadership of our revolution, under the banner of the chuche idea.

Paek Hak-nim, an anti-Japanese revolutionary fighter, said: As the chuche idea founded by the great leader President Kim Il-song brightly indicated the road of revolution as an immortal torchlight, the noble feats performed by him are shining as cornerstone of eternal value of our revolution and his deep trust and love defend and look after the destiny of our people, he is always the pillar of eternal faith, mental support of all of us.

Colonel General of the KPA Kim Chong-kak noted in a visitor's book:

No matter what storm may blow and no matter how the situation may change, our People's Army will single-heartedly believe in respected General Kim Chong-il, the supreme commander, unite around him and become rifles and bombs to defend him in the forefront of the revolution at the cost of their lives.

Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth of Korea [LSWYK], said:

Our officials of the LSWYK, youth and students who regard the behests of President Kim Il-song as their maxim will become eight million rifles and bombs and 16 million handgrenades to defend the great General Kim Chong-il at the cost of their lives true to the pledge of faith they took before the president's bier, and officials of the LSWYK will become the first round of them to give full play to the honor of being a powerful reserve combat unit of the respected supreme commander.

Foreign Children Leave Flowers at Mansu Hill

SK2507060995 Pyongyang KCNA in English 0430 GMT 25 Jul 95

[FBIS Transcribed Text] Pyongyang, July 25 (KCNA) — Foreign children laid a floral basket before the statue of the great leader President Kim Il-song on Mansu Hill on July 24. They came here to participate in the Songdowon International Children's Camping.

They laid the floral basket in the name of the camping groups and bouquets before the statue and paid homage to President Kim Il-song.

Defining Method for Reunification 'Urgent' Issue

SK2507112995 Pyongyang KCNA in English 1023 GMT 25 Jul 95

["Definition of Method of National Reunification Is Urgent and Important Problem" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 25 (KCNA) — A great national conference will be held by Koreans in the North, South and overseas to discuss and define the nation's common way for reunification of the country on the occasion of the 50th anniversary of the liberation of the country (August 15, 1945).

NODONG SINMUN today carries a by-lined article entitled "It Is Urgent and Important To Confirm Way of National Reunification" in this connection.

It quotes the great leader Comrade Kim Il-song as saying:

"An important matter in hand in hastening national reunification is to decide how the country should be reunified."

Deciding the method of national reunification is essential for successful promotion of the reunification movement of the nation, the article says, and adds:

Unless the common way of national reunification is confirmed, it will be impossible to guarantee unity and cohesion of the broad forces of reunification and wage the grand march for reunification with a correct action program full of hope and confidence.

Deciding the method of national reunification is also important for uniting the internal forces of the nation and mobilizing them in the reunification cause.

There is no doubt that a decisive phase will be opened for national reunification when a great national conference which will be participated in by the representatives of all parties, groups and people of all walks of life of the North and South of Korea and overseas is successfully held on August 15 to discuss and define the nation's common method of national reunification.

The entire fellow countrymen in the North, South and overseas should cherish the behests of President Kim Il-song on accelerating the reunification by discussing and deciding the nation's common method of national reunification and turn out as one in the struggle to implement them. For this purpose, they should abolish all legal and institutional mechanisms of South Korea such as "National Security Law" and "Agency for National Security Planning" standing in the way of national reconciliation, unity and reunification. And they should smash all criminal acts of the Kim Yong-sam group who are blocking the way to the place of the grand national reunification festival marking August 15.

In order to decide the nation's common method of reunification as taught by President Kim Il-song, the entire fellow countrymen in the North, South and overseas should firmly unite under the banner of the 10-point programme of the great unity of the whole nation, transcending the differences in idea, system, religious belief and ism. Cohesion is the key to victory and reunification. If the entire nation unite with a single heart under the great program of reunification. They can solve all problems and conquer the fortress of reunification.

Intellectuals Urged To Become Revolutionaries

SK1907131995 Pyongyang NODONG SINMUN in Korean 17 Jun 95 p 1

[Editorial: "Intellectuals Are Urged To Become Revolutionary Fighters Endlessly Loyal to the Cause of the Party"]

[FBIS Translated Text] Our intellectuals are revolutionary ones who are endlessly loyal to the party and the leader and who have a firm faith in socialism.

The party's expectations of our intellectuals are great. All our intellectuals should prepare themselves even more firmly to become chuche-type revolutionaries endlessly loyal to the cause of the party in accordance with the demand of the impressive reality that the general onward march of socialism is vigorously being carried out to meaningfully greet the 50th anniversary of the founding of the party.

The destiny and future of intellectuals is directly linked to the party cause, the socialist cause, in one. Only when they faithfully uphold the party cause, intellectuals can develop and realize their talents and dreams and glorify their precious political lives.

To continuously and thoroughly implement our party's policy on revolutionizing intellectuals and making them members of the working class is a fundamental question in having our intellectuals become resolute revolutionaries who faithfully uphold the party cause.

The great leader [yongdoja] Comrade Kim Chong-il noted:

"In order to let intellectuals excellently fulfill their missions and duties, we should revolutionize intellectuals and make them members of the working class."

Our party is the motherly party that leads all intellectuals to the single road of the worthwhile revolution. Our party presented an original policy on revolutionizing intellectuals and make them members of the working class at an early age and has made great efforts to raise all intellectuals as working-class intellectuals thoroughly armed with working-class revolutionary ideas. Our party's emblem inscribed with a hammer, a sickle, and a brush reflects the sublime position and great expectations of our party, which trusts and leads intellectuals to the last, regarding them as an element of the main forces of the revolution and as a strong impetus to the development of the society.

The complete realization of the party policy on revolutionizing intellectuals and making them members of the working class has effected fundamental changes in the political and ideological traits of our intellectuals. Even when capitalism was rehabilitated in some countries and the enemy's antirevolutionary offensive was unprecedentedly strengthened, our intellectuals firmly trusted only our party without flickering and faithfully upheld our party's cause with science and technology. Ranks of our intellectuals, who live and struggle according to the party's idea, are seen wherever our party's grand idea on socialist construction is realized; and the sound of a drum of socialist victory is ringing loud wherever the intellectuals work.

Revolutionizing intellectuals and making them members of working class is a task that must constantly be intensified as the socialist construction enters higher and higher stages. Not even a moment of slump or setback is allowed here.

It is an important demand in effecting new revolutionary upsurge in all fronts of socialist construction today that all our intellectuals prepare themselves as revolutionary fighters endlessly loyal to the party cause, upholding the party policy on revolutionizing intellectuals and making them members of working class.

It is inevitable that the intellectuals' role is enhanced as the cultural and technological level of the society is elevated and as the ranks of intellectuals grows. Today, our intellectuals are faced with the heavy task to resolve scientific and technological problems emerging in the course of strengthening the might of the self-reliant national economy by thoroughly implementing the party's revolutionary economic strategies, and to make a considerable progress in overall fields of socialist cultural construction, such as literature, art, publication, press, education, and health.

It is time for all our intellectuals to launch unanimously into the struggle to implement the great leader Comrade Kim Chong-il's grand idea, with endless loyalty to the party. When our intellectuals struggle devotedly, learning by experience the working class' exalted revolutionary spirit, the sound of a drum of revolution will ring louder at all fronts of the socialist construction.

Today, the imperialists and reactionaries' maneuver to isolate and crush [apsal] socialism is unprecedentedly being strengthened. The enemy is fervently engaged in a reactionary ideological and cultural offensive aiming at intellectuals, youths, and students of socialist countries. At this time, it is important for intellectuals to live and struggle revolutionarily with endless loyalty to the party and the socialist cause and a firm faith in the prospect of the revolution. Any threat and pacification policy of the imperialist enemy cannot work with revolutionary intellectuals awakened to political and ideological consciousness.

When all our intellectuals revolutionize themselves thoroughly and prepare themselves firmly as chuche-type revolutionary fighters who share their destinies with the party to the last, political and ideological might of our revolutionary ranks will be remarkably strengthened, and socialism of our own style will advance more vigorously, overcoming all sorts of historic trials.

To deeply bear an unshakable faith to absolutely trust and follow the great leader Comrade Kim Chong-il is more important than anything in intellectuals preparing themselves as revolutionaries endlessly faithful to the party cause.

The faith in the party cause is based on the faith in the greatness of the leader [yongdoja].

Our intellectuals have learned by experience in the course of the arduous and long revolution the unshakable faith that they can always win a victory and accomplish everything when they advance according to the leadership of respected and beloved Comrade Kim Chong-il. Korean intellectuals' revolutionary spirit and combat ability are greater than those of any other country's intellectuals because they have a firm faith deep in their hearts to trust only their leader.

Remembering always the pledge they made before the party and the leader during the Korean intellectuals' meeting, all intellectuals should be eternal companions who walk along the long revolutionary road, following only respected and beloved Comrade Kim Chong-il all the time in both grave days and peaceful days. Intellectuals should firmly establish a viewpoint that they regard upholding the party leadership as a joy and honor and a genuine right of life, rather than a duty, and should fulfill their mission as revolutionary intellectuals blessed with great leaders generation after generation.

Intellectuals should deeply recognize the true superiority and vitality of our country's socialist system that has the most thoroughly embodied intrinsic demand of independent human beings and should live and struggle revolutionarily with a faith and optimism in socialism. Intellectuals should resolutely oppose all sorts of strange elements that corrupt socialism and should become reliable standard-bearers at the ideological and cultural front who are uncompromising in the struggle against them.

When intellectuals prepare themselves as resolute revolutionaries endlessly faithful to the party cause, it is also important that they actively learn and follow the revolutionary spirit, organizational spirit and disciplinary character of the working class, who is a leading class of the revolution.

Our working class is the most revolutionary class that knows how to uphold its leader [suryong] and its leader [yongdoja] and how to share its destiny with the party to the last and implements the party line, even going through water and fire. The noble ideological and spiritual trait of our working class is an excellent model for intellectuals to revolutionize and make themselves members of the working class.

The militant character of our working class is to run to the road — the mountainous and swampy road — without any delay if it is indicated by the party, as well as to surely achieve tasks put forward by the party. All intellectuals should fully master the high sense of revolutionary spirit of the working class, who will even go through a wall if it is demanded by the party, who create something from nothing, and who overcome difficulties and trials while smiling. In their work and life, our intellectuals should highly display the strong will and stubbornness as shown by working class of Kangson in the working class part of the multipart art film "The Nation and Destiny," as well as the revolutionary spirit of self-reliance and fortitude as demonstrated by 10 party members of Nagwon. Our intellectuals should always see and assess all things from the firm working-class viewpoint at any place. Also, they should establish the revolutionary and struggle spirit of thinking and acting in compliance with the interest of the party and working class. With their keen and class outlook, intellectuals should grasp the imperialists' and class enemies' nature and vicious color. They should strongly prepare themselves as the working-class-oriented and revolutionary intellectuals who endlessly fight on against imperialists without any compromise.

For intellectuals to fully discharge their mission and duty as the revolutionary fighters of the party, they should live up to the party's credit and expectation by achieving practical success.

It is the duty of intellectuals to practically contribute to the party's cause with science and technology, talent and wisdom. With the issues intended by the party, all intellectuals should carry out the significant and scientific inventions and produce monumental creations. This will be helpful to the party, as well as safeguard the party's cause.

Scientists and technicians should make all efforts to resolve the scientific and technological issues that contribute to implementing the party's revolutionary economic strategy, as well as to achieving the party's intent to develop the country's science and technology to the world level. Also, intellectuals in education, public health, and literature and arts should make every effort to further develop the various areas of cultural construction by highly upholding the party's policy to build the chuche-oriented culture. In particular, it is important for intellectuals in publication and press to outstandingly fulfill their mission as soldiers at a post of the ideological front of our party that struggles to carry out the ideological revolution. Also, they should become positive protectors and propagators of the party's policy, as well as become standard-bearers to actively lead masses to implementing the party's policy.

Party organizations should foster all intellectuals to become the firm chuche-style revolutionaries who only breathe as intended by the party and share their fate with the party, more actively carrying out the indoctrinations of principles, revolution, class, and socialist patriotism among them. Along with this, they should enable intellectuals to strengthen organizational life, accelerate the revolutionzation in the course of the revolutionary practice, and follow and learn the noble and struggling ethos of the working class in the thrilling reality.

All intellectuals should devote everything to the struggle to greet the 50th anniversary of the founding of the party with the high sense of political enthusiasm and brilliant and laborious success. As a result, they should endlessly glorify their honor as Korean intellectuals who uphold the great leader.

Flag Symbolizes Workers, Peasants, Intellectuals

SK2007234195 Pyongyang KCNA in English 2156 GMT 20 Jul 95

[FBIS Transcribed Text] Pyongyang, July 20 (KCNA) — "I never believe in heaven. But if there is 'heaven' in my mind, it is none other than the masses of the people."

This is what the great leader President Kim Il-song said one summer day, seeing the flag of the Workers' Party of Korea [WPK] fluttering high in the sky.

The red flag with a hammer, a sickle and a writing brush, symbolic of workers, peasants and intellectuals, shows the appearance of the popular masses.

It was provided by President Kim Il-song.

After the liberation of the country he put his heart and soul into founding a new party of chuche type, a revolutionary party of the working class, on the basis of the historical foundations of the party laid by him in the period of the anti-Japanese revolutionary struggle.

Under his guidance the WPK foundation was proclaimed on October 10, 1945.

Later, the president called a party propaganda official to his office and gave him a task to draw a design of the party's flag as soon as possible.

He said the design should fully reflect the idea and character of the revolutionary party.

When the design was drawn, he saw it and said it would be good to have the emblem of the party inscribed in the red-color flag, symbolic of a revolutionary party. He also said the emblem should figuratively reflect the unity of the working masses including the working class and peasants.

The flag of the WPK, which clearly symbolizes the character and noble mission of the party, came into being by such a high intention and guidance of the president.

The great leader Comrade Kim Chong-il said that though there are many party flags in the world, there is no such a flag as the WPK's which symbolizes the masses of the people.

The flag of the WPK is still fluttering high in the sky as a symbol of advance, struggle and victory, with the undying feats of the respected leader President Kim Il-song, the founder of the great party.

People's 'Voluntary Advance' to Farms Reported

SK2407133895

[FBIS Editorial Report] The following is a compilation of three reports on Pyongyang residents' "voluntary advance" into the rural areas carried by Pyongyang Korean Central Television Network in Korean during its 1100 GMT news program on 22 July.

The first under-one-minute news item reports: "With the single and sheer desire to faithfully uphold the lofty lifelong intent of the fatherly leader who devoted all his life to our people's happiness, Yi Sun-ok, of the material shop of the Ministry of Shipping Industry, has recently voluntarily advanced into Saenggum-ri, Yonsan County, North Hwanghae Province, which bears the trace of the leader's sublime on-the-spot guidance."

The second one-minute item reports: "Ok Mun-son, a doctor at the Manual Arts Department of the Koryo

General Medical Hospital Acupuncture and Moxibustion Research Center, has voluntarily moved to the Onsil Farm in Pyongyang with his family." The item also reports that they are "filled with lofty determination to fulfill their duty as fighters of respected and beloved General Kim Chong-il by excellently conducting farming every year in accordance with the chuche farming method."

The third under-one-minute item reports: "At a time when all the people throughout the country are vigorously supporting socialist rural areas, hardening their determination to achieve a bumper crop this year, too, under the leadership of respected and beloved General Kim Chong-il, with the iron-firm faith that the great leader Comrade Kim Il-song is with us forever, Song Se-tok, a worker at the material department of the Aeguk Spinning Plant, voluntarily advanced into the Yangum Cooperative Farm in Yokpo District with his family."

Power Plants Boosting Electricity Production

Changjingang Plant

SK2407010595 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 23 Jul 95

[FBIS Translated Text] Electric power producers at the Changjingang power station with the red banner of the three revolutions have normalized production at a high level.

Cherishing the great pride in marching forward under the leadership of the great leader Kim Chong-il by preserving the fatherly leader in state forever, they fulfilled monthly and quarterly plans without fail. By utilizing existing water, they overfulfilled the daily electricity production plan by 5 percent.

Electric power producers at the No. 1 power generation workshop with the double-red banner of the three revolutions and the No. 2 power generation workshop attentively carried out management of facilities in conformity with rainy season conditions and ensured a high level of water and highly efficient operations, thus overfulfilling the daily plan.

By satisfactorily repairing waterways, the No. 3 and No. 4 power generation workshops are also supplying more electric power to many domains of the national economy.

Wiwon Power Plant

SK2307020595 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 21 Jul 95

[FBIS Translated Text] According to a report by station reporter Choe Hun, party members and workers at Wiwon Power Plant continue to increase electric power production following their successful overfulfillment of the plans for June and for the first half of the year at 132 percent, while upholding the party Central Committee's slogans on the 50th founding anniversary of the party.

Being well aware that the increase in power production is necessary for effecting an upsurge in socialist economic construction, the electricity producers at the power generating shop tenaciously manage water in conformity with the conditions of the rainy season. They are effecting the innovation of overfulfilling the daily plan at 135 percent each day by operating all generators at full capacity and concentrating on management of facilities.

Party members and workers at the structure workshop set up a thorough repair system for structures and took perfect measures to effectively use water to produce power without wasting a single drop of water. By so doing, they are making a great contribution to maintaining a high and steady rate of electricity production.

17 Mar Power Plant

SK2307054595 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 22 Jul 95

[FBIS Translated Text] According to a report by station reporter Choe Chang-ha, party members and workers at the 17 March Hydroelectric Power Complex, who have vigorously risen up to glorify the 50th party founding anniversary with great labor zeal and brilliant labor feats, are making great results in producing electric power.

They produce more power than planned every day while advancing vigorously, filled with faith in certain victory and optimism and with dignity and pride in overfulfilling the plans for June and for the first half of the year. Overflowing with the firm faith that, if they maintain the upswing, their power production in July will be 1.2 times more than planned, the functionaries of the power complex are tenaciously conducting economic organization work to effectively manage facilities and technology and operate all generators at full capacity in accordance with the current situation in which they have abundant water.

Party members and workers at the Generating Shop No. 1 are maintaining a high and steady rate of daily power production under an alternate checking system and a preparatory repair schedule for generators. In particular, those at the Generating Shop No. 3 keep overfulfilling the daily plan by 120 percent or more by operating all machines at full capacity. Workers at the Generating Shop No. 2 are overfulfilling their tasks by 119 percent each day, overcoming difficulties by themselves.

Now, the power complex maintains a high and steady rate of power production by carrying out the struggle to fill the reservoir with an abundance of water, guaranteeing the operation of generators at a high water level and a high efficiency rate.

Hydroelectric Production Up

SK2207085795 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 21 Jul 95

[FBIS Translated Text] The working class of hydroelectric power stations across the country, having launched themselves into the struggle to add luster to the 50th anniversary of the party's founding with success in increasing electric power, is sending much electricity to the plants and enterprises of various sectors of the people's economy.

According to compiled data, as of 17 July the hydroelectric power stations under the Ministry of Power Industry attained the success of producing electric power over 60 percent of the monthly target and increasing electric power production 20 percent over the same period last year.

South Korea

Concerns Over Elimination of LWR Role Noted

SK2507094695 Seoul CHOSON ILBO in Korean 25 Jul 95 p 3

[Editorial: "Is the ROK Excluded Even From the Site Survey?"]

[FBIS Translated Text] With the full-scale launching of the light-water reactor [LWR] project for North Korea, our uneasy feeling is also increasing. It was a mutual understanding made between the ROK and the United States that the "ROK-type" reactors would be built in North Korea under the ROK leadership. This being the case, our people did not reject our country's shouldering most of the expenses required for the project. However, the recent development of the situation indicates that not only the ROK-model reactors, but also the ROK's role, have degenerated.

The content of a memorandum signed last March between the Korea Electric Power Corporation [KEPCO], the main contractor of the light-water reactor project, and the U.S. Combustion Engineering was recently made public. As a result, people began to worry about the possibility that ROK-type reactors may be eliminated and degenerate. It was also learned that the survey team of the reactor construction site, which will be dispatched to North Korea next month, was organized with the United States as the center. This was proved by the fact that a U.S. company was chosen as the subcontractor that offers technical and administrative support for the survey team. As for the number of team members, the ROK and the United States are to participate equally. Thus, the team can hardly be called a "ROK-led" survey team. Rather, people are concerned about the possibility that the United States will practically exercise leadership over the whole project, including selection of the site, construction of the light-water reactors, and monopolizing economic gains from the project. In fact, it is unlikely that the United States will spend even a penny for the light-water reactor project for North Korea.

In spite of this reality, those in charge of the project on our side are merely repeating basic theories, promises, and high-flown words, saying "There is not even the slightest wavering in the will to accomplish the ROK-type reactors"; "KEPCO, the main contractor, will be in charge of the light-water reactor project for North Korea and thus the ROK-type reactors will be realized"; and so forth. Representatives of three major organizations on our side, including the president of KEPCO, on 24 July held a joint briefing session aimed at resolving the people's suspicion and concern with such possibilities. However, there were unilateral explanations and assertions at the session, inviting more suspicion from people. They insist that there will be no problem with the ROK's leadership role. Then, as a proof of their allegation, we should now be able to see an objective situation. However, what we are seeing is different from what they insist on, which makes the problem more serious.

Furthermore, the relevant government officials repeatedly made concessions and are being dragged about by another country, but are still talking about "adherence to the ROK type [reactor]," "exercising leadership," and the like. Thus, our concerns are increasing. We are not sure how they are making such remarks, on what grounds are they basing those remarks. We would like to urge them, however, to bear in mind that if the other country gains substantive profits and popularity while our country merely pays the money, this would mean that they committed a grave crime against history.

Issue of Technical Independence Creating Dispute

SK2507090095 Seoul MUNHWA ILBO in Korean 25 Jul 95 p 9

[FBIS Translated Text] The question whether the ROK has achieved 100-percent independence in nuclear power plants construction technology is causing a dispute.

Some circles of the Korea Atomic Energy Research Institute [KAERI] assert that "The ROK is capable of building nuclear power plants in North Korea with 100-percent ROK technology," and condemn the plan to build light-water reactors for North Korea with the support of foreign technology. KAERI asserts that designating KAERI and the Korea Electric Power Corporation [KEPCO] as joint prime contractors of the light-water reactor project for North Korea would solve the foreign support problem. KAERI alleges that KEPCO yielded to U.S. pressure and accepted the participation of Combustion Engineering (ABB-CE) despite the fact that the ROK is 100-percent independent in the relevant technologies.

The Ministry of Trade and Industry and KEPCO are in consensus that "It is presently difficult to achieve 100-percent independence in technology." As proof, the Ministry of Trade and Industry disclosed the goal of technological independence estimated by KAERI. In 1984, when the government was establishing a plan to standardize nuclear power plants and increase technological independence, KAERI set its goal of technological independence at 95 percent. The goal has not been revised as yet. KAERI submitted an interim report to the Ministry of Trade and Industry at the end of 1994, saying the ROK's current technological independence was 94.1 percent. The institute almost achieved the goal, but the core facilities, including safety depressurizer system, cannot be built with domestic technology.

The Ministry of Trade and Industry pointed out that ROK automobiles, which people believe are 100-percent domestically produced, have key components from the United States and Japan. In short, there is no car produced in the ROK without paying royalties to foreign companies. Thus, it is unreasonable to say that nuclear power plants, which require hundreds of times more precision than automobiles to ensure safety, can be built with 100-percent domestic technology.

The Ministry of Trade and Industry stresses that even if the ROK could build nuclear power plants with 100-percent domestic technology and materials, implementing the theory is a different matter. When it is more economical to use technology and materials from advanced companies than to develop domestically, the government might as well use foreign products.

Partnership With U.S. To Move to 'New Level'

SK2507000395 Seoul YONHAP in English 2354 GMT 24 Jul 95

[FBIS Transcribed Text] Chicago, July 24 (YONHAP) — President Kim Yong-sam, noting that the Asia-Pacific is a new region of hope and possibility, emphasized Monday [24 July] the need to raise the Korea-U.S. cooperative partnership to a new level.

"If the advanced technology of the United States were combined with the production capabilities of Korea, wider possibilities and opportunities would unfold," President Kim said. "Korea could become a strategic industrial base from which both our businesses could jointly advance into new markets. I think it would be desirable, therefore, for the industrial sectors of our two countries to engage in greater technological and industrial cooperation."

President Kim made the remarks in an address he delivered at a dinner hosted by the Chicago Council of Foreign Relations and the Mid-America Committee for International Business and Government Cooperation on the second leg of his visit to the United States.

Flying to Chicago from San Francisco Monday afternoon, he hosted an informal gathering for ethnic Koreans and then attended the dinner in the evening. He leaves for Washington D.C. Tuesday morning for a four-day state visit.

South Korea is now able to play a meaningful role as an intermediary linking advanced countries with developing ones, Kim noted, adding, "The Korean peninsula, once the site of confrontation between the Eastern and Western blocks, is now becoming a bridge linking the Asian continent with the Pacific."

Korea is taking advantage of its location in the heart of Northeast Asia to expand its economic cooperation with other countries in the region, such as China, member nations of ASEAN and Vietnam, Kim added.

Pointing out that South Korea and the United States are economic partners "who are mutually important to each other," the South Korean leader predicted that bilateral trade between the two countries will reach the 50-billion-U.S.-dollar mark this year and then double that by the early 21st century.

Winston Lord Discusses ROK's Economic Opening

SK2207062295 Seoul YONHAP in English 0617 GMT 22 Jul 95

[FBIS Transcribed Text] Washington, July 22 (YONHAP) — On the occasion of President Kim Yong-sam's four-day state visit to the United States, U.S. officials called for South Korea to further open the Korean market and ease trade regulations.

Assistant Secretary of State for East Asian and Pacific Affairs Winston Lord, during a speech to the Asia Society Friday [21 July], remarked, "We do not believe that the pace of Korea's economic success has been fully matched by the opening of its markets."

Speaking on these "trade frictions" and "obstacles," Lord pointed out that trade agreements are sometimes not fully implemented and that standards and regulations are sometimes not transparent.

But Lord praised the agreement between Washington and Seoul Thursday to extend the shelf-life period for American meat, as it lifted a heavy burden before President Kim's arrival.

The main topic of discussion during the state visit will be North-South issues, Lord asserted and insisted that a lack of North-South dialogue has been the root of all peninsular problems.

"Issues like what kind of reactors and roles of various countries really are symptoms of these underlying questions on lack of dialogue cooperation and trust between the North and South," he explained.

Lord also called for the agreed framework, in spite of all the haggling, to be fully implemented. "It could lay a foundation for genuine North-South dialogue," he declared and promised that the United States would insist upon that principle.

Delighted by the recent progress in the accord's implementation in Kuala Lumpur, Lord declared that the Korean Peninsula Energy Development Organization (KEDO), an international consortium tasked with providing light-water reactors to North Korea, was responsible for choosing Korea Electric Power Corporation (KEPCO) as the prime contractor for the reactor project. Lord added that KEDO is also responsible for "implementing explicitly what was still less than perfectly explicit in the Kuala Lumpur agreement."

As the top KEDO officials hail from the United States, Korea and Japan, Lord applauded them and their joint efforts and urged continued close consultations to promote regional stability and peace.

U.S., China Urged To Reconcile Differences

SK2507070995 Seoul KYONGHYANG SINMUN in Korean 25 Jul 95 p 3

[Editorial: "It Is Time for the United States and the PRC to Reconcile"]

[FBIS Translated Text] Relations between the United States and the PRC continue to deteriorate. Neighboring countries are becoming increasingly concerned over the worsening U.S.-PRC relations, which were ignited by U.S. approval of a visit by Taiwan President Lee Teng-hui. The incident has had significant effect on East Asian countries, because many of them have immediate interests in the two countries. The ROK is particularly concerned because both the United States and the PRC are closely linked with the Korean peninsula.

Both the positions of the United States and the PRC on deteriorating relations can be refuted. The U.S. Government explained that the Taiwan president's visit to the United States was a personal trip to attend an alumni reunion. This did not convince the PRC. As worded in the protest delivered by the acting PRC ambassador to the U.S. State Department, the U.S. approval for the Taiwan head of state conflicts with the PRC's consistent "one China" policy. The PRC thus had reason to protest.

However, the PRC's countermeasures were inappropriate. Its excessively sensitive overreaction is incomprehensible. The PRC should have responded diplomatically to the U.S. explanation. As though it were retaliating, the PRC arrested the Chinese-American human rights activist Harry Wu, which agitated the United States. The PRC also continues to demonstrate its force of arms by test-firing missiles toward the Taiwan Straight, thus indicating that it might seal off the passage.

Such a demonstration of arms seriously alarms neighboring countries, including the Korean peninsula and Japan. This is not desirable for the peace and stability of East Asia. The United States, Japan, and many Asian countries have been concerned by the accelerated arms reinforcement in the PRC despite the demise of the Cold War.

Under the situation, the PRC's show of arms is likely to create another kind of unrest in the area. The U.S. Navy special forces are conducting joint exercises with the Philippine troops along the Spratly Islands, which are the subject of a territorial dispute between the PRC and its neighboring countries. The exercise may have be cause for concern among the neighboring countries.

We urge the United States and the PRC to each take a step back to resolve the incident diplomatically. The bill recently passed by the U.S. Congress on placing the PRC under surveillance is likely to agitate the PRC and worsen the situation. They should exercise restraint in its show of arms or in its overreaction. Conflict between these two world powers will have extremely destructive repurcussions.

Investigation of Visa Scandal Continues

SK2507060695 Seoul YONHAP in English
0500 GMT 25 Jul 95

[FBIS Transcribed Text] Seoul, July 25 (YONHAP) — The visa scandal at the U.S. Embassy, allegedly involving a fraudulent visa ring that included a Korean-American Embassy official, is currently undergoing investigation.

"At this point, an investigation between the Korean National Police and the U.S. State Department is underway," Don Q. Washington, a spokesman for the U.S. Embassy, said, quoting the American consul-general.

Washington stated that until the probe is completed, the officials will not provide any details on the matter. He could not target a closing date for the investigation that began in June.

The criminal syndicate which targetted Korean students sold hundreds of fake visas for a hefty sum. The U.S. Embassy issued a warning statement and called for individuals who received visas without official interviews to contact the American Embassy.

The ring supposedly included Jennifer Kim, 24, a Korean-American woman, who worked in the visa section and was relieved from her post when she was discovered to be involved in the ring. Her husband, an American military officer, contacted the CHOSON ILBO in late June to profess her innocence.

"(Kim) is perfectly free to speak to the press," U.S. Information Service [USIS] spokesman Steve Rounds said, adding, "but she is just trying to exonerate herself."

But both the U.S. Forces Korea and the USIS were unable to provide descriptions or nationalities of the suspects involved in the case.

Washington Confirms North's Request for Grain

SK2507012595 Seoul YONHAP in English
0115 GMT 25 Jul 95

[FBIS Transcribed Text] Washington, July 24 (YONHAP) — The State Department confirmed Monday [24 July] news reports that North Korea has asked the U.S. Government to supply food aid either through private or government channels but added that there are many legislative and policy constraints to realizing a deal.

Confirming the report that the North Koreans have asked the U.S. Government to supply 1 million tons of grain aid, an official said that the North Koreans cited their pressing food shortage as the reason for the request.

The U.S. Government has not yet responded to the North Korean request for aid, he explained, and hinted at a passive response when he noted that there are numerous legislative and policy constraints which prohibit the United States from supplying aid to a communist country.

He also said that the State Department is well aware that South Korea and Japan are both supplying rice aid to North Korea.

Assistant Secretary of State for Asian and Pacific Affairs Winston Lord said in a press briefing that the North Koreans had asked for U.S. grain aid and added, "We are studying the situation, but it is only fair to point out, as we have, that there are these constraints, both legal and political... Whether it's selling or giving, there are political and legal considerations here that make it something we have to study very carefully before we can move ahead."

But a well-informed source said that should President Bill Clinton lift the legal constraints, the U.S. Government could supply food aid to North Korea, but added that, in view of the strong anti-North Korean sentiment felt in Congress, it would be hard for the United States to provide aid to a communist country through government channels.

Iran-DPRK Missile Story Called 'Mistake'

SK2407234895 Seoul THE KOREA TIMES in English
25 Jul 95 p 8

[FBIS Transcribed Text] Korea Trade Promotion Corporation (KOTRA) yesterday acknowledged its mistake in making a statement on Iran's alleged buying of missiles from North Korea in return for oil sales, as reported in THE KOREA TIMES last week.

The "unconfirmed" fact was released in the process of "mistakenly" analyzing the current situation in global markets, KOTRA spokesman Cho Tae-hyong said.

Upon being reported in THE KOREA TIMES, KOTRA immediately instructed an exploration of the facts, and confirmed that it was "baseless" as the Iranian Embassy here claimed.

"It was a mistake for KOTRA to have analyzed a resources market trend in such a way as to make it seem as if the Islamic Republic of Iran was attempting to receive missiles from North Korea in return for giving it oil," spokesman Cho said. He added that the allegation was not based on a report from the Korean Trade Center in Tehran, as reported.

Again, it was "mistakenly" released without confirmation from KOTRA headquarters, he said.

He expressed the hope that the long-standing friendly relationship between South Korea and Iran would not be influenced by the report under any circumstances.

Change in KPA Lineup Expected

SK2407100695 Seoul CHUNGANG ILBO in Korean 24 Jul 95 p 10

[By reporter Choe Won-ki]

[FBIS Translated Text] A considerable change is expected in the North Korean military with the death of Kim Pong-yul, 77, vice minister of the North Korean Ministry of People's Armed Forces and vice marshal. First of all, the decline of the Soviet Union faction will be accelerated.

Kim Pong-yul, a graduate of the former Soviet Union's Lenin University, passed away recently. In fact, he played the role of the so-called godfather of the Soviet Union faction in the North Korean People's Army [KPA] for 20 years.

Most of the officers belonging to the Soviet Union faction, an elite group in the North Korean People's Army, were purged when their anti-Kim Chong-il coup was revealed in April 1992.

According to observers, Kim Pong-yul was able to survive at that time due to North Korea's relations with Russia. Therefore, Kim Pong-yul's death means the extinction of the Soviet Union faction in the military—represented by Kim Chang-pong, Nam Il, and Kim Pong- yul—present since the founding of the North Korean People's Army.

Kim Pong-yul's death will also be likely to help expedite the forthcoming generation change in the North Korean military. The only members of the revolution's first generation in the North Korean military who are still alive are Choe Kwang, 81, chief of the General Staff of the People's Army; Yi Ul-sol, 79, commander of the Security Guard Command; and Yi Ha-il, 75, director of the Military Department of the party Central Committee. Furthermore, it is said that Kim Chong-il does not highly regard these officers of the revolution's first generation. Therefore, observers say that Kim Chong-il will soon initiate a full-dress work of replacing these officers with those of the new generation.

It is highly likely that the new core lineup of the North Korean Army in the future under Kim Chong-il will consist of O Kuk-yol as minister of the People's Armed Forces and Kim Kwang-chin as chief of the General Staff of the People's Army.

O Kuk-yol enjoys Kim Chong-il's full trust. When O Kuk-yol was dismissed from the post of chief of the General Staff of the People's Army in February 1988, Kim Chong-il created a post at the party Central Committee for him and posted him there.

Kim Kwang-chin, 68, vice minister of the People's Armed Forces, who is well informed of the situation on the Korean peninsula, is also said to be a close confidant of Kim Chong-il.

KPA Staging Anticorruption Campaign

SK2407032095 Seoul CHUNGANG ILBO in Korean 24 Jul 95 p 2

[Report by Choe Won-ki]

[FBIS Translated Text] It is being said that some North Korean People's Army [KPA] units are vigorously waging an anticorruption campaign these days. Observers predict that, consequently, some high-ranking military officers will have to leave the Army in the wake of the anticorruption campaign.

According to a source well informed on North Korea's military, it has been confirmed that "some general-grade officers and officers at corps, division, and brigade levels of the North Korean Army are being investigated on suspicion of corruption."

This source said: "However, it is not likely this has something to do with a power struggle within the North Korean military. It seems that North Korean military authorities have decided to carry out such an anticorruption campaign under the judgment that complaints about the corruption of general-grade officers and officers are growing among enlisted men of the North Korean Army and that this is creating a serious morale problem among soldiers as a whole."

It is analyzed that the anticorruption campaign is not only aimed at strengthening overall combat capability by promoting morale in the military, but is also part of a sort of ground-leveling within the People's Army on the threshold of Kim Chong-il's succession to the posts of party general secretary and the presidency.

In other words, it is very likely that the anticorruption campaign is related to a personnel reshuffle in various sectors of North Korean society on the threshold of Kim Chong-il's succession to power.

Background on Yi Song-tae, Yi Song-nok

SK2407065795 Seoul HANGUK ILBO in Korean 24 Jul 95 p 23

[FBIS Translated Text] Yi Song-tae, chairman of the External Economic Committee of North Korea's Administration Council, and Yi Song-nok, chairman of North Korea's Committee for the Promotion of International Trade, are real brothers.

This was revealed by a relevant official who maintains close contact with high-ranking North Korean officials in the external economic cooperation field.

Yi Song-nok recently visited Japan to officially request a shipment of rice. Japan agreed to offer a total of 300,000 tonnes of rice, 150,000 tonnes in grant aid and 150,000 tonnes on credit. Yi Song-nok was director of a Trade Ministry bureau in North Korea's Administration Council in December 1972; deputy minister of trade in December 1978; chairman of the Committee for the Promotion of International Trade in 1982; and deputy to the Ninth Supreme People's Assembly [SPA] in April 1990. He is presently chairman of the SPA Diplomatic Affairs Committee, thus making a successful rise through rapid promotion. From November 1984 to June 1986, he worked as head of North side's delegation to North-South economic talks. He was awarded the Kim Il-song medal in 1989.

Meanwhile, Yi Song-tae, the younger brother, is known as a close confident of Kim Tal-hyon, former North Korean deputy premier and chairman of the State Planning Commission. He was nominated as deputy trade minister in the eighth cabinet in September 1987. He is known as a representative member of the external opening faction.

North Strengthens Ideological Work Among Young

SK2407070795 Seoul CHUNGANG ILBO in Korean 24 Jul 95 p 10

[FBIS Translated Text] North Korea is said to have recently strengthened its ideological education and ideological control of the people in fear of possible ideological disturbances. It is said that some young people are strongly opposing such ideological control by the North Korean authorities.

A recent issue of NODONG CHONGNYON, the organ of the Socialist Working Youth League [SWYL], reporting that SWYL organizations at all levels are further strengthening ideological indoctrination work and education on organizational life among young people, noted that some young people frequently boycott their organizational activities, such as general meetings of their organizations, routine life summing-up meetings, study meetings, and lecture meetings; and violate instructions and regulations of their organizations — causing headaches.

This newspaper reported that a young man who works at Unhung cooperative farm in Pyongsong city "had failed to correctly fulfill even the task assigned by the SWYL and frequently violated the discipline of his organization and considered the guidance and regulations of his organization to be bothersome, thereby clouding the atmosphere in the organization and collective to which he belongs."

The newspaper also wrote that a young man at Haeju City provision administration station "had refused to attend various meetings despite strong warnings from the SWYL organization to which he belongs, and for this, he had to conduct self-criticism at various meetings and finally repented after being criticized for his ideological indolence."

Private Plans To Send Rice to North Studied

SK2407111295 Seoul YONHAP in English 1056 GMT 24 Jul 95

[FBIS Transcribed Text] Seoul, July 24 (YONHAP) — Deputy Prime Minister Na Ung-pae said Monday that once the first-phase provision of rice to North Korea is completed toward the end of August, the government will affirmatively study the plans of some private organizations to provide rice to North Korea. "The government will handle the plans of some religious organizations, the Federation of Korean Industries (FKI) and some other private groups to furnish rice to North Korea within the framework of overall South-North exchanges and cooperation," Na said.

While talking with reporters, Na, who is concurrent national unification minister, said the government intends to promote South- North economic cooperation quietly, in an orderly manner and on a phased basis. The government, he said, would expand the scope of inter-Korean economic cooperation step by step depending on the improvement of overall South-North relations.

Even if there arises the need of projects exceeding the current 5-million-dollar limit to investment in the North, the government would deal with them flexibly, Na said.

Touching on the controversy over the selection of the Korea Electric Power Corp. (KEPCO) as the main contractor of the North Korean reactor project, Na said relevant ministers chose KEPCO in the policy consideration that the South Korean Government should name a key contractor before the Korean Peninsula Energy Development Organization (KEDO) does.

"It is regrettable that the Korea Atomic Energy Research Institute approaches the matter from the angle of promoting its own selfishness," Na said.

Missing Pastor Possible Kidnap Victim

SK2507094795 Seoul YONHAP in English 0920 GMT 25 Jul 95

[FBIS Transcribed Text] Seoul, July 25 (YONHAP) — Authorities suspect that a South Korean pastor, who (North) Korea's Central News Agency (KCNA) claimed Tuesday defected to the North, may have been abducted on July 9 in Yanji city, northeastern China, and taken to an unknown location against his will, Foreign Ministry Spokesman So Tae-won said.

"Pastor An Sung-hun was walking with some of his followers in Yanji city on July 9 when a few sturdy young men took him aside and talked with him before they pushed him into a taxi," So said. "Then the taxi sped away with the pastor seated between the young men."

Quoting witnesses, the spokesman said that the pastor was initially thought to have been taken by Chinese security officials as Korean missionaries have often been taken into custody on accusation of illegal activities.

Missionary activities by Korean pastors in China are considered illegal and have often triggered consular problems between the two countries.

The 50-year-old An worked for several years as a pastor in a Seoul church before being assigned to Yanji in May 1991, So said.

The Foreign Ministry has instructed its Beijing mission to work closely with Chinese security officials to investigate the case, So said, adding that the ministry has yet to receive any information to confirm that An was kidnapped or that he defected.

He also said that the ministry was still trying to establish the whereabouts of An.

Mun Ik-hwan's Widow May Return Via Panmunjom

SK2507072095 Seoul MUNHWA ILBO in Korean 25 Jul 95 p 25

[FBIS Translated Text] The Group for Greeting the Reunification by 70 Million Fellow Countrymen revealed on 24 July that presbyter Pak Yong-kil, 76, who secretly went to the North through Beijing without the government's prior permission on 28 June to attend events commemorating the first anniversary of President Kim Il-song's death, will return to South Korea on 25 July through Panmunjom. Presbyter Pak Yong-kil is the widow of Reverend Mun Ik-hwan, chairman of the preparatory committee of the South side headquarters of the Pannational Alliance for the Country's Reunification who died in 1994. During her visit to North Korea, presbyter Pak paid her respects at the tomb of President Kim Il-song together with Secretary Kim Chong-il, and visited other major organizations. It was learned, however, that she did not issue any statements during this period.

Meanwhile, the No. 2 public security department of the Seoul District Prosecutor's Office finds presbyter Pak's activities in North Korea to be a violation of the National Security Law and will question and administer punishment upon her return.

Prospects for Peace Overture Examined

SK2307064195 Seoul SEOUL SINMUN in Korean 23 Jul 95 p 5

[Article by Ku Pon-yong]

[FBIS Translated Text] Considerable attention has focused on reunification policy and a proposal to North Korea that President Kim Yong-sam will announce on the occasion of 15 August, the anniversary of national liberation.

This year's anniversary of national liberation is meaningful because it is the 50th anniversary. This is why the government has been preparing a presidential congratulatory speech of historical significance. It is generally believed that the president will advance a more progressive proposal to North Korea during the congratulatory speech.

The proposal to North Korea will most likely concern North-South summit talks; an initiative to establish a new peace mechanism on the Korean peninsula; separated families; and North-South economic cooperation. The National Unification Board, the Foreign Ministry, and other government agencies concerned have reportedly been making preparations toward that end.

It has been pointed out, however, that a proposal to hold summit talks may be inappropriate and lacks freshness because the North Korean succession problem has not yet been resolved. The government may have to consider the possibility that a proposal concerning separated families may remain unanswered by North Korea because North Korea is concerned about the stability of its regime. North-South economic cooperation will remain low on the list of possible issues to be included in the proposal to North Korea because such cooperation is already being promoted gradually.

Therefore, it is very likely that turning the armistice into a peace mechanism will be the major point of the proposal to North Korea.

This is because since last year North Korea has been launching offensives to make the Armistice Agreement powerless by driving out members of the Neutral Nations Supervisory Commission, including those from Czechoslovakia. This is also because it is not good for the ROK to merely urge North Korea to comply with the Armistice Agreement and remain on the defensive.

In connection with the peace mechanism, the most desirable solution is for North and South Korea to sign a peace treaty. The problem is that the possibility that North Korea will accept our offer is slim.

The ROK may have to try to solve this problem by taking advantage of the climate in our region. A representative formula for turning the armistice into a peace mechanism is the "two plus two" formula in which North and South Korea sign an agreement and in which the United States and China support or guarantee it. There are similar formulas such as the "two plus four" formula (North and South Korea sign an agreement and the United States, China, Japan, and Russia guarantee it) and the "two plus UN" formula (North and South Korea sign an agreement and the 16 UN member countries that sent troops to the ROK during the Korean war guarantee it).

However, it is true that, as Ku Pon-tae, director of the reunification policy office of the National Unification Board, says, if we refer to these formulas for the North-South peace agreement carelessly, this may "pave the way for North Korea's offensive to sign a peace agreement with the United States, not the ROK." We should take sufficient precautions against this possibility considering the fact that North Korea's eventual goal in seeking to sign a peace agreement with the United States is to disband the UN Command and remove U.S. Forces from the ROK.

Under these circumstances, an alternative formula emerges under which North and South Korea sign a peace agreement as a supplementary document to the North-South basic agreement, instead of signing a separate peace agreement. The supplementary agreement of the North-South basic agreement stipulates that the North and South, while maintaining the current armistice, will make joint efforts to turn the armistice into a state of peace.

It may be a good idea for the leaders of North and South Korea to adopt a "North-South joint peace declaration" as a supplementary document of the North-South basic agreement. This will give North Korea an excuse to return to the fold of the North-South basic agreement.

However, it is President Kim Yong-sam, the sovereign, who should choose a formula considering the overall situation concerning North-South relations.

Support for North Entry Into ARF Conditional

SK2507080095 Seoul YONHAP in English
0739 GMT 25 Jul 95

[FBIS Transcribed Text] Seoul, July 25 (YONHAP) — South Korea supports North Korea's bid to join a regional political and security forum in the Asia-Pacific region, but only if the North engages in an inter-Korean dialogue and shows a willingness to settle the North Korean nuclear issue, a senior Foreign Ministry official said Tuesday.

Responding to reports that a North Korean vice foreign minister, now visiting Thailand, expressed Monday Pyongyang's wish to join the Asia Regional Forum (ARF), Senior Coordinator for Policy Development Chu Chol-ki said that "we are not opposed to the idea of North Korea joining the ARF or any other international forum.

"But the Seoul government and other member countries of the ARF have a tacit agreement that North Korea should meet certain conditions, such as cooperating to solve the North Korean nuclear issue and actively participate in an inter-Korean dialogue before it files applications for entry into the ARF."

He said that South Korea will also support any attempt by North Korea to join the Asia-Pacific Economic Cooperation (APEC) group, although the North has yet to express its desire to join the regional economic bloc.

"Joining APEC, however, is quite a different issue from entering the ARF," he said. "It may be easier for the North to join the ARF, a regional political and security forum, but APEC requires member countries to have a market economy and a relatively opened market, like in China and Vietnam."

"In that sense, any proposal by the North to join APEC, if any, would have significant meaning for the North's economic policy," Chu said.

Meanwhile, another Foreign Ministry official said that the North's joining ARF should be preceded by its efforts to settle the North Korean nuclear issue and an inter-Korean dialogue.

He, however, failed to present a clear-cut definition of what degree of inter-Korean cooperation concerning the nuclear issue and Seoul-Pyongyang dialogue would be acceptable to the Seoul government, just saying, "The North has still not concluded a contract for the provision of two light-water reactors to North Korea under the Geneva nuclear accord signed between Pyongyang and Washington last October."

The official predicted an exchange of liaison offices between North Korea and the United States would be a good start to gaining international approval for the North's efforts to join the international community.

After that, the North may be free to join ARF, APEC or any other international forum and to normalize diplomatic relations with Japan, the Philippines and Australia with which the North has been eager to form ties, he said.

KFSB Plans Investment Workshop for North

SK2207022195 Seoul THE KOREA TIMES in English 22 Jul 95 p 16

[FBIS Transcribed Text] Korea Federation of Small Business (KFSB) is pushing ahead with a plan to hold a workshop with North Korean businessmen to facilitate economic cooperation between the two Koreas.

The organization, together with Ko World Policy Institute, a private research institute, is planning to hold the workshop in Tandong, in north China, Oct. 9-14, a KFSB official said yesterday.

The participants in the workshop will exchange views on the North Korean investment climate and other information needed for economic cooperation, the official said.

"We are going to give the Northern businessman a list of companies wanting to cooperate with the North, of regions where they want to invest and of business sectors they are interested in," the official said.

"The Northern people, for their part, are expected to give us data on the economic situation like the condition of social infrastructure," he added.

About 50 executives from small and medium-size companies and the KFSB are planning to take part in the workshop.

The visit is still subject to government approval, he said.

Dr. Yi Chan-to of the institute said, "We have contacted the North Korean businessmen about the workshop and received a positive response. But details have yet to be decided on."

Taxation Avoidance Agreement Signed With Russia

SK2407084395 Seoul YONHAP in English 0718 GMT 24 Jul 95

[FBIS Transcribed Text] Seoul, July 24 (YONHAP) — South Korea and Russia Tuesday will exchange ratifications for their agreement on double taxation avoidance as both countries have recently completed the approval process, according to the Foreign Ministry Monday. With the exchange of ratifications between South Korean Ambassador to Russia Kim Sok-kyu and Russian Vice Foreign Minister Nikolayevich Panov in Moscow, the agreement will take effect on Aug. 24, 30 days after the exchange took place, according to the ministry.

Seoul To Join WTO Financial Services Pact

SK2507030195 Seoul YONHAP in English 0235 GMT 25 Jul 95

[FBIS Transcribed Text] Seoul, July 25 (YONHAP) — South Korea is ready to join the European Union-sponsored pact for the liberalization of global financial services, although the United States recently withdrew from World Trade Organization (WTO) negotiations to finalize the agreement, a senior Foreign Ministry official said Tuesday.

"We don't see any reason to reject the proposed accord on freeing global banking, securities and insurance," said Deputy Foreign Minsiter for Economic Affairs Son Chun-yong, who, however, added that South Korea was closely watching the movements of the Japanese Government on the issue.

"With the United States staying away from the pact, it will be very difficult for South Korea to join the accord to further open its global financial services market without Japan," he said.

Although South Korea and Japan have not been engaged in formal consultations on the issue, the two have been exchanging information on their positions, he said.

"As far as I know, the Japanese Finance Ministry is opposed to joining the EU-led pact without U.S. participation, although Japan's Foreign Ministry wants to join the accord," he said.

He, however, expects that Japan will give its final approval to the issue by Friday, the deadline set by the WTO financial services committee to conclude the pact.

The United States withdrew from the negotiations citing insufficient concessions in financial market openings on the part of developing countries.

Developing countries gave their support to the conclusion of the pact on global financial market openings when WTO member countries agreed to set up of a special task force to deal with the "movement of natural persons," which India, Brazil and other developing countries have strongly demanded in order for more workers from developing countries to be allowed into the labor markets of developed nations.

The EU then pushed ahead with the pact on the condition that South Korea and Japan, which have yet to give their final say on the issue, join the pact, hoping that the United States will agree to it later.

Another official said, "South Korea will not be able to successfully promote its entry into the Organization for Economic Cooperation and Development (OECD) if it fails to support the WTO efforts to further open financial service markets."

Once South Korea alone joins the WTO pact to open its financial services market without Japan, it would have great difficulty when dealing with the United States outside of the WTO in the financial sector.

"There's a possibility that the United States will resort to its super 301 section in bilateral trade relations if it considers South Korea's financial market not open enough," he said.

On South Korea's access to the American financial market, he said that the U.S. market has already been opened wide enough for South Korean firms.

DLP, Administration Disagree Over Reforms

SK2307020895 Seoul THE KOREA HERALD in English 23 Jul 95 pp 8, 10

[Article by staff reporter Choe Sung-chin]

[FBIS Transcribed Text] The ruling party and administration, the two pillars supporting President Kim Yong-sam, are showing signs of serious disruption, in what analysts regard as the aftermath of their humiliating setback in June 27 local elections.

"Previously, the Democratic Liberal Party (DLP) and the government have been like two wheels of a van named governing group," said an analyst. "Now it looks as if the two were trains on a head-on collision course."

Senior DLP officials, after analyzing the electoral defeat, carried out a preemptive strike early this month, saying that the government's stern economic reform measures made many middle-class voters turn away from the ruling party.

They particularly took issue with the so-called "two real-name systems," banning the use of false or borrowed names in financial and real property trading, respectively.

Yi Chun-ku, ruling party chairman, said that "Unless the two reform measures are relaxed, it is clear as day that we will suffer from another disastrous showing at next year's general elections."

The government's economic technocrats, led by Deputy Prime Minister and Minister of Finance and Economy Hong Chae-hyong, however, are squarely opposed to the ruling party's analysis for the loss of the election, which they attribute to the ruling party's selection of less qualified candidates.

Deputy Premier Hong said that any loosening or modifying of the reform steps will mean their overall retreat. "If we relaxed the rules now, it would result in increasing the economic uncertainty for the sake of only a few selected class," referring to some well-to-do people disgruntled with the system aimed at enhancing economic justice.

The DLP and the government, in what is seen as the struggle to take the initiative in post-election state of affairs, have also shown difference of views in almost every economic issue.

While the ruling party has called for postponing the global taxation for financial income to protect the privacy of voters, the government said that even the current level of law enforcement on mandatory use of real names in financial dealing has been the target of public criticism as allowing too many loopholes for the unjustifiable riches.

On the DLP demand for relaxing the real-name land transaction system under the context of sluggish trading of farm land, the economic bureaucrats said that the problem will be automatically solved when the revised Farmland Tax Law will go into effect next year.

Besides the two major issues, the two ruling groups have shown contrasting views in such issues as the use of revenue surplus of 1.4 trillion won for fiscal 1995, the imposition of capital gains tax on the trade of art works and antiques, and the liquor tax revision that calls for provincial wine distributors to buy at least 50 percent of their soju (Korean vodka) purchase from regionally-based distillers.

Deputy Premier Hong, meanwhile, reiterated the government's position on some of these issues at a meeting with reporters yesterday.

Hong said he sees little problems at the moment with the two real-name systems. "The government is willing to supplement the problems if found, but it is important for us to push ahead with reform measures consistently so that they can take firm roots."

The real-name system was not made in a day but in a period of 10 years after repeated studies and discussions, said the government's top economic official. He also said that the comprehensive taxation for financial income will be introduced from next year as originally planned.

On the issue of liquor tax law, he backed away, saying that although there are unconstitutional elements for the National Assembly revision by regulating free business competition, the government will be cautious in requesting its re-examination.

The stance of President Kim himself in the party-government confrontation appears to have been wavering.

Kim had put the brakes on the ruling party's move to distract the reform moves, saying, "We must not change the major frame of reform in order to cure the 'Korean disease.'"

On Friday, however, the President made the first hint that he virtually accepted the DLP's move for supplementing — that is, relaxing — the reform measures. At a less publicized meeting with advisors of his party held on the eve of his departure for San Francisco, Kim said that he instructed Prime Minister Yi Hong-ku to rectify the problems of the reform moves if there are elements causing inconveniences to the people.

Economic analysts here seem to be largely sympathetic with the government's economic officials. "Politics should no longer interfere with economic principles," they said.

One of them pointed out that the ruling circle should learn from the past experiences. The analyst, while requesting anonymity, cited an example of 1990. The then chief policymaker of the ruling party, Yi Sung-yun, who coincidentally holds the same post now, called for boosting the economy for election victory. Yi then kicked out disobedient economic planning minister Cho Sun and took the office.

Korea later suffered from severe "bubble economy," as the result of the so-called "April 4 economic-boosting measures" taken by Yi, he said.

Other experts express more serious concerns about possible setbacks of President Kim Yong-sam's reform drive, for the sake of short-term political gains.

"President Kim Yong-sam might have been recorded in the nation's modern political history not only as the first civilian president but also one who ushered in major reform," said an analyst. "Now it seem the latter evaluation may disappear from history."

Delay in Revamping of DLP Expected

SK2207035095 Seoul YONHAP in English 0303 GMT 22 Jul 95

[FBIS Transcribed Text] Seoul, July 22 (YONHAP) — President Kim Yong-sam is expected to delay until after August the revamping of the ruling Democratic Liberal Party (DLP) which was originally scheduled for early next month, DLP Chairman Yi Chun-ku hinted Saturday [22 July].

Yi disclosed at a high-level DLP meeting that President Kim gave the indication during a weekly session at Chongwadae [presidential offices] Friday afternoon with the DLP chairman, where Kim, who is also DLP president, revealed his own ideas on issues of a projected leadership revamping and the nomination of candidates running for the general elections next year.

Party Spokesman Pak Pom-chin, emerging from the DLP meeting, said there is a possibility that the revamping of the ruling party will be delayed until early September or before the start of the regular National Assembly session opening Sept. 18.

Saying there will be little possibility for a change in August because the ruling party and the government should prepare for major events such as those marking the nation's liberation from Japan on Aug. 15.

In connection with the DLP leadership revamping, President Kim told DLP Chairman Yi that he has not yet made a detailed study of a specific program, saying he will discuss possible reorganization plans after he returns from the United States, the spokesman said.

President Kim, referring to the party's nomination of candidates for the forthcoming general elections, remarked that he has never insisted on the sweeping reshuffle of the party hierarchy, saying, "Why should I shake up the incumbent party lawmakers who are capable of winning votes? The outcome of the last local elections verified that the districts under the incumbent DLP lawmakers experienced strong showings in the elections."

Chon Tu-hwan, Others Sued for Perjury

SK2107120795 Seoul YONHAP in English 1146 GMT 21 Jul 95

[FBIS Transcribed Text] Seoul, July 21 (YONHAP) — The Society of Lawyers for Democratization on Friday [21 July] sued former President Chon Tu-hwan and six others at the Seoul District Prosecutor's Office on perjury charges in connection with their roles in the Kwangju uprising of 1980.

The six others were the then Martial Law Commander Yi Hui-sung: ex-Defense Minister Chu Yong-pok: Choe Ung, then 11th Airborne Brigade commander: An Pu-ung, 61st Battalion commander of the 11th Brigade: Kwon Sung-man, 33rd Battalion commander of the 7th Airborne Brigade: and Yim Su-won, 11th Battalion commander of the 3rd Airborne Brigade.

The Lawyers' Society charged that all the seven denied their involvement in the excessive suppression of the Kwangju uprising during the public hearings hosted by the National Assembly in 1988 and 89 despite their active roles as proven by prosecution probes whose results were made public last Tuesday.

The law on testimony and appraisal provides for prison terms of one to 10 years against those found guilty of perjury.

Review of Charges Begins

SK2207034995 Seoul YONHAP in English 0301 GMT 22 Jul 95

[FBIS Transcribed Text] Seoul, July 22 (YONHAP) — The prosecution began examining Saturday [22 July] the perjury charges brought against former President Chon Tu-hwan and six others, who were involved in the harsh suppression of the Kwangju democratization movement, in connection with their allegedly false testimonies before the National Assembly. A formal complaint was recently filed by the Society of Lawyers for a Democratic Society with the prosecution.

The prosecution plans to closely review their testimonies given at the National Assembly regarding their roles in the bloody suppression on the May 18 Kwangju uprising for democratization in 1980 and the results of the prosecution's investigation into the case, which were recently announced.

"The schedule for summoning the accused will be decided after the accusers' appeals related to the May 18 case are dealt with," a prosecutor said.

The lawyers filed the complaint, arguing results of the prosecution's investigation into the May 18 case helped reveal the falsehood of some testimonies made by the accused in the National Assembly hearings in 1988 and 1989.

Those accused of perjury also include the then martial law Commander Yi Hui-song: ex-Defense Minister Chu Yong-pok: Choe Ung, former 11th Airborne Brigade commander: An Pu-ung, 61st Battalion commander of the 11th Brigade: Kwon Sung-man, 33rd Battalion commander of the 7th Airborne Brigade: and Yim Su-won, 11th Battalion commander of the 3rd Airborne Brigade.

Under the law on testimony and appraisal, those found guilty of lying to the National Assembly are subject to prison terms of up to 10 years.

Under the statute of limitations, the period allowed for public action for perjury is 7 years.

Therefore, in the case of former President Chon who gave his testimony at the end of 1989, the limitation expires on Dec. 30, 1996. For others, the period ends in December this year.

Ruling Appealed

SK2407090595 Seoul YONHAP in English 0803 GMT 24 Jul 95

[FBIS Transcribed Text] Seoul, July 24 (YONHAP) — Protesting the prosecution's decision not to prosecute former Presidents Chon Tu-hwan and No Tae-u and others allegedly involved in the armed suppression of the Kwangju citizens' uprising for democracy in May 1980, 322 bereaved family members of those killed or injured in the bloody incident appealed to the Constitutional Court Monday seeking a judgement as to whether the prosecution's decision is constitutional.

In the appeal, the protesters claimed the Kwangju incident in May 1980 was not a successful coup d'etat in view of the popular uprising in June 1987 and demanded that the incident and those responsible for it be judged "from a national perspective under the civilian government."

They also argued that the prosecution abused its authority by deciding that it had no right to prosecute the former presidents on charges of insurrection, saying the court should decide whether the prosecution has the right in this case.

Concerning the limitation, which prosecution claims expires on Aug. 16, the protesters said it should expire in April next year because the period should begin in April 1981 when the accused completed their alleged crimes of insurrection and when the legislative council for national defense, an electoral college which elected Chon Tu-hwan president, closed its doors.

Foreign Ministry Announces Assignments

SK2407085195 Seoul YONHAP in English 0720 GMT 24 Jul 95

[FBIS Transcribed Text] Seoul, July 24 (YONHAP) — The Foreign Ministry Monday appointed ambassador to Tanzania Pak Pu-yol to serve as the new consul-general to Miami, Florida, in the United States, while appointing Overseas Residents and Consular Affairs Bureau Director-general Kim Sung-yong to new ambassador to Costa Rica, Foreign Ministry Spokesman So Tae-won announced.

Park was replaced by senior research officer Pyon Sung-kuk at the Institute of Foreign Affairs and National Security (IFANS).

Meanwhile, the ministry's Cultural Affairs Bureau Director-general Kim Yong-ki was named ambasador to Jamaica and IFANS senior research officer O Myong-kun was appointed consul-general to Jeddah, Saudi Arabia.

Former Five-Term Lawmaker Song Won-yong Dies

SK2407012695 Seoul YONHAP in English
0054 GMT 24 Jul 95

[FBIS Transcribed Text] Seoul, July 24 (YONHAP) — Former five-term lawmaker Song Won-yong died Sunday evening at the age of 67.

Born in Yonggang, South Pyongan Province, Song graduated from Korea University's Philosophy Department.

He worked as a journalist at the KYONGHYANG SINMUN daily newspaper before entering politics in the 60s.

Song also served as press secretary to the late John M. Chang, vice president and prime minister in the First and Second Republics, respectively. Later in his career Song served as spokesman for the party of the people, floor leader and chairman of the national convention of the new Democratic Party.

Song had most recently served as chairman of the Tongmun Cable Network.

He is survived by his wife and six daughters.

Tanker Aground Off South Cholla, Leaking Oil

SK2407063595 Seoul YONHAP in English
0603 GMT 24 Jul 95

[FBIS Transcribed Text] Yosu, South Chollla Province, July 24 (YONHAP) — A large quantity of petroleum is leaking from the Cyprus-registered oil tanker "Sea Prince" which ran aground in waters off Yochon County, South Cholla Province during Typhoon Faye and is seriously polluting the Kwangyang bay area.

After the 140,000-ton oil tanker ran aground at about 2:05 PM [0505 GMT] Sunday a fire broke out with a loud explosion at around 4:00 PM and oil began to flow out of the ruptured engine room, according to Yosu maritime police.

A four to five kilometer oil belt has formed in the affected sea and leaking oil has already blackened the shores of Sori and other nearby islands.

It is also feared that petroleum leaking from the ill-fated tanker will cause serious damage to large areas of the nearby oyster and other fish cultivating fields as well as the Kwangyang bay fishing grounds.

With the stern sunken and lodged in the sea floor, the vessel's bow is now exposed above the waterline and petroleum is freely flowing out of its damaged hull.

The Sea Prince unloaded 1,317,000 barrels of its total 1,927,000- barrel crude oil cargo at the Honam Oil Refinery Co.'s Pier No. 2 near Yosu last Friday before it ran aground on its way to a west coast port to take refuge from Typhoon Faye with 610,000 barrels of crude oil still aboard.

Due to engine trouble the ship began drifting sometime after it left port at 6:05 PM Saturday.

To lift the body of the ship the vessel's owner, Hoyu Shipping Co., Monday at dawn requested a Japanese firm dispatch a salvage ship to the scene.

Spill Spreading

SK2507013495 Seoul YONHAP in English
0051 GMT 25 Jul 95

[FBIS Transcribed Text] Yosu, South Korea, July 25 (YONHAP) — Petroleum leaking from the 140,000-ton oil tanker "Sea Prince," which ran aground off seas near Sori Island when Typhoon Faye swept South Korea's southern region last Sunday is continuing to spread to adjacent waters with no systematic preventive measures yet being taken due to bad weather.

Oil belts, 10-30-meter thick, have now contaminated seas as far as 340 kilometers to the east and south and as far as 10 km to the west and north of the accident site and they are continuing to spread as a result of strong winds and currents, according to the Yosu Maritime Police Tuesday.

Oil has flowed into seas as close as 35 km from Sori Island and its vicinity.

Judging from the situation when the Sea Prince went aground, it is presumed that the ship's central tank no. 6, containing 27,645 tons of crude oil, located near the bow of the vessel, has ruptured and unless steps are taken promptly to stop the leakage the hole is expected to grow larger and it is feared that not only crude petroleum but also the ship's fuel, totalling over 100,000 tons, will begin leaking from the tanker.

Oil leaking from the tanker has already contaminated large areas of fish farms off Ando and Kumho Islands and coastal fishing grounds and is now spreading towards southern fishing areas. If no preventive measures are taken soon it is feared damage to fish farms and feeding grounds will amount to tens of billions of won.

With the help of the Japanese 2,061-ton salvage boat "Koyo-maru" and its engineers, the grounded tanker's owner, Hoyu Shipping Co. plans to examine the damaged hull and will decide how to handle the situation Tuesday morning. The work, however, is being hindered by heavy fog which has settled on the accident site.

Currently mobilized at the scene are over 20 maritime police and private oil spread prevention vessels and several patrol boats which rushed from Pusan, Mokpo and Chungmu Maritime Police Stations. They are trying to stop the petroleum belts from further spreading but their operations are also being hampered by poor weather conditions.

In the meantime, National Maritime Policy Agency Superintendent Yu Sang-sik presided over a countermeasures meeting at the Yosu Maritime Police Station Tuesday morning to discuss ways to quickly block the spread of petroleum and to minimize the damage.

Burma

Editorial on Implementation of State Objectives

BK2307142495 Rangoon KYEMON in Burmese 8 Jul 95 p 2

[Editorial: "Implement 12 Objectives; Build a Modern Nation"]

[FBIS Translated Text] Four Political Objectives

- Stability of the state, community peace and tranquility, and prevalence of law and order
- National reconciliation
- Emergence of a new and enduring state constitution
- Building of a new modern developed nation in accordance with the new state constitution

Four Economic Objectives

- Development of an all-round agriculture-based economy
- Proper evolution of the market-oriented economic system
- Development of the economy by inviting participation in terms of technical know-how and investments from sources inside the country and abroad
- The initiative to shape the national economy must be kept in the hands of the state and national peoples

Four Social Objectives

- Uplifting the morale and morality of the entire nation
- Uplifting national prestige and integrity and preservation and safeguarding of cultural heritage and national character
- Uplifting dynamism of patriotic spirit
- Uplifting the health, fitness, and education standards of entire nation

The above-mentioned 12 — four political, four economic, and four social — objectives are goals and destiny of the Union of Myanmar [Burma].

The State Law and Order Restoration Council [SLORC], while observing the precise and accurate political, economic, and social objectives, will continue to implement the systematic arrangements with increased momentum to turn the country into a tranquil, prosperous, modern, and developed state.

Due to the efforts, the country that faced the danger of anarchy and disintegration in 1988 has now become tranquil. There is also a nationwide prevalence of law and order.

Concerning the national reconciliation efforts, 15 of the 16 armed groups have returned to the legal fold and joined hands with the state government and have been implementing regional development programs. The National Convention was also held for the emergence of new and enduring state constitution and considerable progress has been made with the convention.

The state economy is also growing with great momentum because the former centrally-planned economic system was replaced with a market- oriented economy. Similarly, [the SLORC] is also working successfully for raising the morale and morality of the people, preservation of the cultural heritage, increasing the patriotic spirit, and improving the health and fitness of the people. Now, a good basic foundation has been also laid down for the last objective — the emergence of the tranquil, prosperous, modern, and developed state.

In a situation like this, the united participation and labor of the entire nation is essential to implement the prescribed political, economic and social objectives and to march toward the destiny. This is why KYEMON urges the national people to participate and work together to implement the state's 12 objectives at this opportune moment.

Mon Seek 'Peaceful Dialogue' on Democracy

BK2107095895 Bangkok THE NATION in English 21 Jul 95 p A8

[Report by Yindi Loetcharoenchok]

[FBIS Transcribed Text] Burma's ethnic Mon guerrillas, who reached a ceasefire with the ruling junta late last month, have announced their intention to pursue peaceful dialogue towards restoring democracy and human rights.

In a public statement on July 13, the New Mon State Party (NMSP) defined its position by saying that the truce with the ruling regime known as the State Law and Order Restoration Council (SLORC) "is just merely a military ceasefire", and that "the NMSP armed forces will retain their arms while carrying on its political aims as the situation demanded".

The statement, which was released yesterday to the media, said after abandoning their violent struggle, "the method of peaceful negotiations would be followed according to our (NMSP) national movement".

The NMSP, the latest ethnic group to reach a ceasefire with SLORC, added that it would continue "with determination" the struggle of the Burmese people of all ethnic nationalities to achieve their common political objectives and Mon freedom".

"With full endurance and without surrendering our arms, we will solidify the unity of the Mons and hereby declare to struggle with determination, together with the peoples of other ethnic nationalities, for the restoration of democracy and human rights in the country, in accordance with the programme laid down for our freedom," said the statement issued by the NMSP central committee.

"... work beneficial to the party as well as to the general public would be carried out in consultation with SLORC. For the development of Mon areas, in some cases, joint ventures between the (NMSP) party and SLORC would be arranged, while in other cases, it would be done between the party and the private sector," the release said.

The NMSP and SLORC began their peace talks in December 1993 but they became deadlocked as Rangoon repeatedly rejected the ethnic group's demands for control over certain areas.

An extended lull followed Burmese attacks in July 1994 against Mon refugee camps on the Thai-Burmese border, before both sides agreed to meet in June.

Unexpectedly, both sides came to a compromise in their fourth and last round of talks last month at the Mon state capital of Moulmein and agreed to a ceasefire.

"With a view to unify the Mon people... acceptance of dialogue with representatives of SLORC was made. After our forth round of talks an amicable agreement was reached resulting in a ceasefire ceremony on 29 June, 1995," the statement said.

In the agreement, the NMSP was allowed to keep its army, weapons and 20 of its areas it controls in Mergui, Tavoy, Moulmein and Thaton districts. Civilians and villagers would be able to freely travel in and out of the areas.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Pessimistic on Plans for Bosnia Arms

BK2507082195 Kuala Lumpur THE STAR in English 25 Jul 95

[Received via Internet]

[FBIS Transcribed Text] Lumut — Malaysia's plans to change its role from peacekeepers to peace enforcers in Bosnia-Herzegovina may be hampered by the limited firepower of its forces, Prime Minister Datuk Sri Dr Mahathir Mohamed said.

He said the North Atlantic Treaty Organisation (Nato) and the United Nations were also likely to block Malaysia's plan to send weapons to the Bosnians.

"We fear that Nato and the United Nations are better at preventing supplies from reaching Bosnia, and do not have the courage to prevent supplies from falling into the hands of the Serb aggressors," he told reporters after visiting the Teluk Dalam Resort, Pangkor, here yesterday.

Dr Mahathir said it was also difficult for Malaysia to beef up its forces in Bosnia because it did not have aircraft to transport the arms and had to go deep into Kongic (where Malaysian forces are based).

In Ipoh earlier, [Defense Minister] Syed Hamid said Malaysia was ready to act as enforcers of peace in the war-torn former Yugoslav republic.

He said Malaysian troops now serving as peacekeepers could help the Bosnians defend their country.

"We have to upgrade our capabilities to meet such a circumstance," he told reporters.

Foreign ministers from the OIC [Organization of Islamic Conference] states had declared the UN arms embargo on Bosnia invalid.

In Petaling Jaya, Foreign Minister Datuk Abdullah Ahmad Badawi said signatory countries of the Convention on Crime and Punishment on Genocide had the right to intervene in Bosnia.

"The convention allows the signatories, including Malaysia, to intervene to help the party which is the victim of genocide," he told reporters at the Kuala Lumpur International airport on arrival from the Geneva meeting of the OIC contact group.

Malaysia's permanent representative to the United Nations Tan Sri Razali Ismail said the legality of the UN arms embargo on Bosnia should be challenged in the International Court of Justice.

"Technically, it is true that the resolution on the arms embargo was imposed on Yugoslavia before it broke up and not at Bosnia specifically.

"The UN General Assembly cannot revoke the resolution but it can and it must marshall global support to show how unjust this resolution is."

Further on Mahathir Comments on UN, Bosnia

BK2407092595 Kuala Lumpur THE STAR in English 24 Jul 95

[Report by Farid Jamaludin — received via Internet]

[FBIS Transcribed Text] Langkawi — Malaysia has called for the immediate removal of both UN Secretary-General Butrus Butrus-Ghali and UN special envoy to Bosnia-Herzegovina Yasushi Akashi for "telling lies and worsening the conflict in the former Yugoslav republic."

And it also wants the Organisation of Islamic Conference (OIC) to formulate a strategy to defend Bosnia.

Prime Minister Datuk Sri Dr Mahathir Mohamed said Butrus-Ghali and Akashi "should be thrown out" because they had not been telling the truth.

"Both have been trying to defend the Serbs at the expense of the Bosnians.

"They have even gone to the extent of trying to explain to Bosnians in "safe havens" that the Serbs were attacking because they were merely soldiers," he told reporters after visiting several tourism-related projects here yesterday.

Dr Mahathir reiterated Malaysia's position that it considers the UN arms embargo on Bosnia invalid and that it is willing to defy the ban by selling arms to the Bosnians to enable them to defend themselves.

"The United Nations guarantees that everyone has the right to defend himself against any form of aggression. But it is seen as actively preventing the Bosnians from defending themselves," he added.

On whether he expected any form of "retaliation" on Malaysia's action, Dr Mahathir said: "I think they will... I do not know."

Dr Mahathir said he would further discuss the matter with Foreign Minister Datuk Abdullah Ahmad Badawi and Defence Minister Datuk Syed Hamid Albar on the Government's line of action.

He said it was unfair that Bosnians were not allowed to defend themselves.

He said Malaysia's disappointment with the UN was centred on the "people who run the UN" and not the body itself.

In Ipoh, Syed Hamid said OIC defence ministers should set up a mechanism and a formula to ensure that their forces could carry out duties effectively in the event the UN withdrew its peacekeeping troops.

He said Malaysia was willing to retain its forces in Bosnia and would ensure that it was well equipped to defend the nation.

Officials Speak on Bosnia, Arms Supply

BK2507085895 Kuala Lumpur RTM Television Network 3 in Malay 0530 GMT 25 Jul 95

[FBIS Translated Text] According to Prime Minister Datuk Sri Dr. Mahathir, Kuala Lumpur notes with regret the Western powers' decision not to do anything to protect the people of Bosnia from suffering. He was commenting on reports that the Western powers will only take action if their peacekeeping forces are threatened.

[Begin Mahathir recording in English] I am frankly very disgusted to hear over the BBC last night that the decision in London is that they will only act against the Serbs if the UNPROFOR [United Nations Protection Force] forces are attacked. But if the Serbs attack the Bosnians, kill them in front of their eyes also they will not do anything. [end recording]

In a related development, Deputy Defense Minister Datuk Dr. Adbdullah Fadzil Che Wan has said Malaysia will first resort to diplomatic approaches in implementing the decision agreed at the Geneva meeting of the Organization of the Islamic Conference, OIC, contact group on Bosnia to channel arms supplies to Bosnia-Herzegovina. He said that there are several ways to ensure that the arms reach the Bosnian army.

In the past the United Nations had enforced the Bosnian arms embargo and Kuala Lumpur's request to supply adequate equipment to the Malaysian peacekeepers had also been rejected.

In a telephone interview with TV3 for the "Malaysia Today" program, Datuk Abdullah said Malaysia will continue to make efforts ensure that the arms will be received by Bosnia.

[Begin Abdullah recording] Although the Western powers have tried to prevent any form of arms supply to Bosnia-Herzegovina, we are confident that there will be a way for us to make sure that the military equipment that we want to send arrives there safely. God willing. [end recording]

Editorials Criticize Western Handling of Bosnia

BK2407135295

[FBIS Editorial Report] Two Malaysian newspapers carry editorials on the Western powers' handling of the Bosnian issue.

Kuala Lumpur UTUSAN MALAYSIA in Malay on 24 July carries a 500-word editorial on page 6 entitled: "Western Powers Farce in Handling Bosnian Issue." It notes that again, Bosnia and its people are being let down by the Western powers because they failed to reach an agreement on the best action to be taken to protect them.

The editorial says: "The decision reached at the 16-nation emergency conference on Bosnia in London yesterday made no mention of any commitment to protect Bosnia, which has been victimized by Serbian forces. They only warned that they would 'take stern and effective action' against the Bosnian Serbs only if the aggressors attack Gorazde, the United Nations, UN, safe area."

Continuing, the editorial says: "It seems that the big powers have forgiven the Serbian aggressors for seizing Srebrenica last week because no decision on punishment was discussed at the London conference. It is also strange that the London conference was held following the fall of Srebrenica into the hands of the Serbs, seen by the public as a big slap and embarrassment to the UN peacekeeping mission and the Western powers."

The editorial adds: "In this way it is clear that the objective and goal of the London conference has failed. It is only an effort to show that the big powers are doing something for Bosnia whereas they are wasting time in staging boring acts."

Welcoming the outcome of the meeting of the contact group on Bosnia of the Organization of the Islamic Conference, OIC, in Geneva yesterday, the editorial says the invalidity of the UN mandate concerning the Bosnian arms embargo gives fresh hope to the people of Bosnia, especially when some OIC member countries have stated their willingness to supply arms to Bosnia.

Concluding, the editorial says: "With the arms supply from OIC member countries, at least the Bosnian Army can effectively continue their struggle to protect their homeland from being invaded by Serbian aggressors."

Kuala Lumpur BERITA HARIAN in Malay on 24 July carries a 700-word editorial on page 8 entitled: "Get Rid of the 'Errand Boy' of the Big Powers." The editorial relates Bosnian Foreign Minister Sacirbey's anger at the United Nations and the Western powers for their farce in handling the Bosnian issue to Prime Minister Dr. Mahathir Mohamed's reluctance to attend the UN 50th anniversary in October.

The editorial says: "We can understand Dr. Mahathir's reluctance to join in the merrymaking commemorating the anniversary because while they are doing so, millions of people in places like Bosnia, Rwanda, Chechnya, and Somalia are living tearfully in hardship due to the United Nation's failure to settle conflicts all over the world."

Continuing, the editorial adds: "The London conference on Bosnia has failed to reach a consensus on the launching of forceful air assault on the Serbs to protect UN safe areas in eastern Bosnia. We believe that the Muslim community is now pinning their hope totally on the OIC to ease the crisis in Bosnia." The daily also underlines the outcome of the meeting of the OIC contact group on Bosnia in Geneva which decided to make stronger approaches in helping Bosnia end the crisis.

The editorial notes: "Based on the outcome of the Geneva meeting, we welcome Dr. Mahathir's announcement that Malaysia will arrange for specific measures to help the people of Bosnia. Some Muslim countries are taking steps to supply arms to Bosnia."

The editorial concludes: "To us, Butrus Butrus-Ghali, the UN secretary general, is nothing but the Western powers' puppet. Therefore, Dr. Mahathir is right when he urges Muslim countries to put forward a no-confidence motion against Ghali. As a UN leader, Ghali should protect international interests and not be an errand boy of the big powers."

Singapore

Editorial Previews U.S.-PRC Talks in Brunei

BK2107093195 Singapore THE STRAITS TIMES in English 20 Jul 95 p 28

[Editorial: "To Brunei with some hope"]

[FBIS Transcribed Text] It would be unutterable folly for American Congressmen to support a private member's resolution blocking China's most favoured nation status, which is due to be voted on today. By damaging China's exports to the United States, such negative action would clearly proclaim that trade is subordinate to politics: It would also undoubtedly queer the pitch for the August 1 meeting in Brunei between Chinese Foreign Minister Qian Qichen and US Secretary of State Warren Christopher. To expect these talks to wish away all differences and difficulties would, of course, be unrealistic; but that they are taking place at all indicates a welcome softening on both sides, and a recognition of the critical importance of a relationship that is as significant in the bilateral context as it is for the region and the world.

Neither the Chinese, nor the Americans, can run away from the sombre responsibility that this places on them to return to pragmatic cooperation instead of hurtling from one crisis to another. As former US Secretary of State Henry Kissinger warned recently, if the present uncertainty continued, it "will prove extremely costly to both sides and threatening to international stability". Not that relations can be restored to an even keel by ignoring concerns that seem valid in Beijing and Washington. But both governments ought to recognise that most problems are rooted in one of two factors: America is suspected of using its clout to gain national ends while disregarding the responsibilities inherent in its status as a major global player, or China appears to claim exemption from some of the codes, economic as well as security, on which the new world order should be based.

The suggestion of American acquiescence in the aggressive diplomacy that Taiwan seems to have launched is obviously a sore point with China. It might feel aggrieved, too, about the adverse international publicity that has resulted from previous visits by a naturalised Chinese American human rights activist, Mr Harry Wu, who was arrested on June 19, apparently as he crossed into China from Kazakhstan. Even human rights, though laudable as a concept, has so often been used as a political counter that Beijing might be forgiven for feeling that it is just another excuse (like prison labour or intellectual property rights) to bring it to heel.

Such suspicions may not have fouled the nest if the Clinton administration had a coherent world view and a set of logical foreign policy objectives to be attained within a credible framework. Willy-nilly, the US enjoys a pre-eminent role in global security. It has undeniable responsibilities in relation to the World Trade Organisation. It may have good reason, therefore to take an interest in China's controlled market human rights record, nuclear proliferation, alleged development of biological and toxin weapons, and reported transfer of missile parts and technology to Iran and Pakistan. But a foolproof case has to be made out to justify this interest. That will not be possible so long as the administration's basic indifference to foreign affairs — which is quite distinct from being hobbled by a hostile Congress — encourages individual lobbies and interest groups in the US, even to the extent of recommending that Taiwan and Vietnam be used in a policy of containing China.

The irony is that, to the extent that the US speaks for the world community, it is in Beijing's own long-term interest to put an end to unnecessary and damaging speculation on some of the matters that Washington cites. Human rights open markets and sale of nuclear and missile technology, in particular, are issues of general international concern. But it might be too much to expect China to be persuaded of the need unless mature US diplomacy inspires greater confidence. The best that can be hoped for until then is a minimum platform for a working relationship. It would be a welcome surprise for all if the Brunei meeting achieved more.

Columnist Criticizes U.S. Asia Policy

BK2507114395 Singapore BUSINESS TIMES in English 25 Jul 95

[From "The Bottom Line" column by Washington correspondent Leon Hadar: "Does Washington really have a consistent Asia policy?" — received via Internet]

[FBIS Transcribed Text] United States Secretary of State Warren Christopher will be arriving shortly in Asia to participate in the Asean meeting in Brunei, where he is expected to reiterate US defence commitments in the Pacific.

Similarly, when President Bill Clinton attends the November summit of the Apec [Asia Pacific Economic Cooperation] leaders in Osaka, he will probably repeat US pledges to support free trade in Asia.

As far as the rhetoric is concerned, Brunei and Osaka will be deja vu all over again, projecting the confident face of an internationalist Washington looking towards the Pacific as its new economic frontier and an important security arena.

The rhetoric is impressive. Joseph Nye, Assistant Secretary of Defence for International Security Affairs, says that the US-Japan security alliance will prosper from here to eternity. Winston Lord, Assistant Secretary of State for Asian Affairs, stresses that the strategy of "engaging" China is alive and well.

And Jeffrey Garten, Undersecretary of Commerce for International Trade, has just announced that Washington's "big emerging markets" programme will expand to cover all of the Asean countries. Speaking of rhetoric, House Majority Leader Newt Gingrich, who incidentally is the driving force behind the efforts to terminate the Commerce Department, presented his first big-time foreign policy address in Washington last week.

The Republicans are not moving in the direction of protectionism and isolationism, he assured his audience. He and his colleagues on Capitol Hill are committed globalists and free-traders as well as ardent space-flight enthusiasts...

While Mr Gingrich and Mr Clinton represent different political visions about America's future, they do share one thing in common: a discrepancy between their bombastic global rhetoric, especially when it comes to Asia, and the reality of their policies.

Hence while the security hawks led by Mr Nye declare that trade tensions between the US and Japan will not weaken their strong military ties and that America will defend South Korea from an attack from the North, trade hawks led by US Trade Representative Mickey Kantor threaten Tokyo and Seoul that US defence protection would be endangered unless they surrender to America's trade demands.

The Clintonites celebrate the launching of the World Trade Organisation. But, following pressures from trade unions and business, they end up pursuing an aggressive unilateral avenue when it comes to trade problems with Japan and to the financial services negotiations.

Their latest gimmick: A presidential commission to investigate free-trade violations in Asia.

The Clintonites shift attention to the "big emerging markets" of Asia and lead huge trade missions to China and India, but then they warn the Asians that they would form a trans-Atlantic free trade area, unless Indonesia, Malaysia, or Singapore — the same countries that are expected to play a leading role in Mr Nye's security system in the Pacific — make concessions over issues such as labour rights, the environment and human rights.

On the Republican side, Adam Smith-fans such as like Representative Phil Crane, of Illinois, advocate establishing free-trade areas with Singapore, Hong Kong and Japan, while the members of the rising protectionist wing of the party, such as Representative Gerald Solomon of New York, propose launching trade wars against Beijing and Tokyo.

Mr Dole and Mr Gingrich, who need both the financial backing of corporate America and the votes of the pro-Perot "angry white males" and Pat Buchanan's "American Firsters" find it difficult to decide which camp of their party they belong to. So they are ardent free-traders in the morning, and rigid economic nationalists in the evening. It all depends on the audience they are addressing.

The most dramatic example of Washington's leaderless approach to Asia is the failure by the administration and Congress to manage relations with China. While the Pentagon and Republican foreign policy types like Henry Kissinger promote the China engagement strategy, the intelligence community and security hawks on Capitol Hill lash out at Beijing over arms proliferation and the Spratlys.

To this bureaucratic and political China-policy mess, one adds pressure from the Taiwan lobby, the politically-weak President, the inexperienced House Speaker and one gets the diplomatic disaster that resulted from the decision to permit Taiwan's President Li Teng-hui to visit the US. Mr Gingrich made things even worse by calling on Mr Clinton to cancel the "one China policy" and to impose sanctions against Beijing, only to change those views after taking a China 101 course with Henry Kissinger.

In the final scene, Mr Clinton and Mr Gingrich convinced their Capitol Hill troops not to revoke China's Most-Favoured Nation trade status and to adopt instead a resolution which harshly criticises Beijing. That was a pathetic finale to their Comedy of Errors called America's Asia policy, illustrating why its producers, Washington's two top political players, give Humpty-Dumpty a bad name.

Cambodia

Sar Kheng, French Interior Minister Hold Talks

BK2407100695 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 22 Jul 95 pp 1, 11

[Report by Dararit]

[FBIS Translated Text] According to the Interior Ministry, Sar Kheng, deputy prime minister and cominister of interior and national security, met with his French counterpart Jean Debre in Paris during his recent visit to France.

At the meeting, the French interior minister promised to examine and give an answer to proposals made by Sar Kheng. The French minister also said he would consider providing an adviser to assist the Cambodian Interior Ministry in administrative reorganization. The French Interior Ministry, he added, would also consider the possibility of sending an expert to Cambodia to help in the preparations for commune chief elections. Aside from this, the ministry would also continue to provide training in France to a number of Interior Ministry officials on an appropriate timeframe. The French Interior Ministry would also send another group of experts to assist a number of offices in Cambodia and also in the training of police officers both in Cambodia and in France.

Sar Kheng said his visit to France at the invitation of the French interior minister was evidence to further development in the good cooperation between the Cambodian and French Interior Ministries. We hope that France will continue to assist Cambodia in other deficient areas. Moreover, Sar Kheng pointed out that support and training were also needed for Interior Ministry officials in various fields. For instance, in the antinarcotic field, we still lack experience and materials to suppress drug trafficking. So we hope that France will provide the Cambodian Interior Ministry with effective cooperation in this area.

Jean Debre said optimistically that he would study the feasibility of the requests and would answer the Cambodian Interior Ministry in a timely fashion.

It is worth recalling that Deputy Prime Minister Sar Kheng led an Interior Ministry delegation to visit France on 8 July 1995.

Heavy Fighting Reported at KR Klar Ngoap Base

BK2507094395 Hong Kong AFP in English 0936 GMT 25 Jul 95

[FBIS Transcribed Text] Aranyaprathet, Thailand, July 25 (AFP) — Heavy fighting resumed Tuesday between Cambodian troops and Khmer Rouge [KR] guerrillas as rebel positions in northwest Cambodia came under heavy artillery attack, a Thai official said.

The fighting broke out before dawn as Cambodian government troops pushed towards the rebel base at Klar Ngoap, about 15 kilometers (nine miles) southeast of here, the border official said.

"It was a close fight, involving light and heavy arms," he said.

The Cambodian troops also pounded rebel positions around Klar Ngoap with mortars and 152mm artillery pieces from nearby bases on Route 5, which links the border town of Poipet with Cambodia's second city of Battambang.

Klar Ngoap is a key Khmer Rouge position on the approach to their military stronghold of Phnom Malai, which lies further west near the Thai border.

Several shells landed in Thailand during the fighting, injuring one woman, prompting the Thai military to return fire with three mortar rounds at a Cambodian Government artillery base.

Meanwhile, rampant corruption in the Cambodian Army has left government troops demoralised and without pay, a Cambodian military source in Poipet said.

About 500,000 dollars allocated by Phnom Penh as salaries for soldiers in the battle zone had allegedly been pocketed by certain high ranking officers, the source said.

The soldiers were to have received 5,000 riel (two dollars) each, he said, adding that the rest of the fund was for buying food supplies.

Colonel Am Sichan, commander of the 9th division's infantry regiment from Siem Riep Province, had withdrawn from the fighting and taken his 300 men home to voice his discontent over the incident, the source said.

The source said that Phnom Penh might not be able to take Klar Ngoap by the end of July as planned because 10 T-54 and T-55 tanks mobilized last week were either blocked by canals or mired in deep mud following heavy rains.

Some Cambodian soldiers had refused to go to the frontline but were working as guards for merchants transporting goods from the Thai border into Cambodia because of better pay, he said.

Khmer Rouge Communique on 'Fascist' Press Law

BK2207113695 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 21 Jul 95

["Communique" issued by the spokesman of the Provisional Government of National Union and National Salvation on 20 July; place not given — read by announcer]

[FBIS Translated Text] 1. On the orders of their communist Vietnam master, the two-headed government has been arresting, jailing, torturing, and savagely murdering Cambodian journalists who dare to write or talk about the annexation of Cambodian territory by communist Vietnam, the constant influx of ethnic Vietnamese into Cambodia, and the corruption of the two-headed government. The two-headed government has now drafted a fascist law so that it can continue to arrest, jail, torture, and murder reporters to silence them at will.

2. These fascist acts show the true nature of the two-headed government as the traitor and lackey of communist Vietnam, implementing communist Vietnam's policy to exterminate the Cambodian nation and people. By nature the two-heads are both fascist and villainous. These creatures are unethical; they have no human rights and are undemocratic. The entire Cambodian people are the victims, including people from all circles in Phnom Penh.

3. The two-headed government is doing this in a situation in which the entire Cambodian nation and people are pounding it from every direction. They have suffered serious setbacks in the 17th dry season and in this rainy season in their continuation of communist Vietnam's war of aggression. They have also been constantly opposed and denounced by the people in Phnom Penh. The powerful impact of the struggle by the entire Cambodian nation and people in rural areas, in Phnom Penh, and abroad is causing the disintegration of the two-headed government; the latter's last day is approaching.

4. The Provisional Government of National Union and National Salvation [PGNUNS], like the entire Cambodian nation and people, vehemently condemns the

traitorous ringleaders for following the orders of their communist Vietnam master to intensify fascist activities against Cambodian journalists, students, pupils, laborers, and various individuals in Phnom Penh.

All of us will continue to unite and struggle until genuine national reconciliation and peace is achieved. The entire Cambodian nation and people categoricaly reject the ringleaders, traitors, and lackeys of communist Vietnam and the warmongers. The Cambodian nation and people firmly demand that honest, clean, and patriotic individuals join together in taking charge of state affairs and solving the nation's various problems, both large and small, within the framework of a genuine democracy that fully ensures the rights and freedom of the entire Cambodian people, including journalists.

21 July 1995

PGNUNS Spokesman

Foreign Investment Delayed by CDC Inefficiency

BK2407063795 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 21 Jul 95 p 4

[FBIS Translated Text] A number of investors in Cambodia are very disappointed by the performance of the Council for the Development of Cambodia [CDC] which has greatly complicated investment. Some investment requests have been shelved for several months without any response from the CDC. According to its own announcement, the CDC should take no longer than 45 days to make a decision.

A company, which requested anonymity, said that although it had already been granted an investment permit it had to make another request to the CDC when it wanted to import the tax-free production equipment from abroad. After handing in the second request, the company owner ordered the equipment as planned, thinking that he would be getting the permit before his goods arrived. In fact the goods arrived at Sihanoukville seaport months ago and the CDC has still not yet granted him the permit. Thus, the 45-day period has expired twice already and still no decision has been made by the CDC. It should take the CDC no longer than 45 days to make a decision or to reply to this applicant; but this request has been held back twice the length of the 45-day period.

The company owner said that the fact that his goods have been stranded at Sihanoukville port has caused not only a delay in the installation of the production equipment, but also has cost him a lot of money for warehouse space for storing his goods at the port. Some of the goods have also been lost.

This is the main problem that has annoyed investors and caused hesitation among them. An investment law has been passsed; but can this law be effective if the law-enforcers do not abide by it?

According to another news source, 15 investment companies have contacted the General Staff of the Khmer Royal Armed Forces to invest in planting industrial crops in the Phnum Sruoch development zone. The General Staff has already accepted these investment proposals and submitted them to the CDC for approval. Of these 15 requests, only three have been approved in principle by the CDC. The remaining 12 requests have not been heard of for several months.

The report added that some investment requests submitted to the CDC in the past several months have not been elicited a response. It is not known where they have been shelved.

In such cases the investors directly contact Keat Chhon, minister of economy and finance and a vice chairman of the CDC, who can quickly consider their requests. However, Keat Chhon would consider only the most urgent, reasonable requests which have been shelved for a longer period than the limit set by the CDC.

The experts have also criticized the CDC for making decisions on various requests without consulting them. Their decisions taken without proper technical knowledge violate plain common sense. Take the import of the production tools for a company as an example. Sometimes, the CDC's decision to cut back on one part of the requested tools has caused difficulties to the company because the remaining quantity are inadequate for the requirements. This decision also affects the number of workers to be used in each factory. Some factory owners have complained about insufficient means of production. They say they cannot accept the extra tax demanded by the CDC should they import more tools than the amount set by the CDC.

Some other sources have said that investors can get speedy approval for their requests if they are well acquainted and on good terms with the CDC. That is, they have to grease their way around.

It Vichit, secretary general of the Cambodian Investment Board, once said: No document at the CDC should be shelved and ignored.

He added that the CDC must reply within 45 days to all investment requests. Sometimes they have even replied verbally to the applicants.

If that is so, it might be the lower-ranking officials who have shelved those documents instead of sending them to their superiors! In that case, the CDC should investigate these allegations.

Indonesia

Suharto Concerned About Situation in Bosnia

BK2407141195 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 24 Jul 95

[FBIS Translated Text] President Suharto; Nana Sutresna, chairman of the Nonaligned Movement, NAM, steering committee; and Minister/State Secretary Murdiono discussed the latest situation in the Balkan peninsula states at Bina Graha Presidential office, in Jakarta today.

Following the meeting, Murdiono told journalists that President Suharto has expressed concern about the latest situation in Bosnia-Herzegovina. He has also instructed Nana Sutresna to immediately take concrete measures to resolve the issue.

Nana Sutresna said to journalists that he will carry out the order by President Suharto, who is also the chairman of the NAM, immediately by making approaches to the parties concerned considering that the Bosnia-Herzegovina issue is not as simple as people thought. In fact, it is quite a complex issue and careful measures have to be taken to resolve it.

Australia's Release of East Timorese Regretted

BK2407100895 Jakarta ANTARA in Indonesian 0749 GMT 24 Jul 95

[FBIS Translated Excerpt] Jakarta, 24 July (ANTARA) — Minister of Defense and Security General Edi Sudraja regrets the action by the Australian Government in releasing the 18 East Timor illegal immigrants from the detention center and in turn allowing them to take up permanent residence in the country.

"We really regret the Australian Government's attitude toward this matter," Edi Sudrajat said with a high note after he opened a seminar on Indonesia's role in the United Nations peace keeping mission in Jakarta on Monday.

Responding to a journalist suggestion that there is a political motive behind the Australian Government's decision, Edi Sudrajat did not comment much. "The main thing is we regret this very much," Edi Sudrajat added. [passage omitted on armed forces handling of East Timor issue]

Meanwhile, speaking in between the ongoing Indonesian Ulema Council's national congress in Jakarta today, General Feisal Tanjung, commander of the Armed Forces of the Republic of Indonesia, ABRI, has also expressed his regret over the attitude of the Australian Government in releasing the 18 East Timor illegal immigrants.

"Their departure for Australia had already proven that they have no sense of patriotism for their own country," Gen. Feisal Tanjung said of the East Timorese who sought political asylum in Australia. [passage omitted on Australian newspaper reports on the East Timor illegal immigrants]

Newspapers Review Jakarta-Beijing Talks

BK2407102795

[Passages in italics published in English]

[FBIS Editorial Report] Two dailies carry editorials on the recent talks in Beijing between the Indonesian and Chinese foreign ministers on bilateral, regional, and international issues.

Jakarta MERDEKA in Indonesian on 22 July carries a 600-word editorial on page 6 entitled: "The Beijing Talks Can Have a Positive Impact." The editorial describes Foreign Minister Ali Alatas' visit to Beijing as positive. Foreign Ministers Ali Alatas and Qian Qichen discussed the Comprehensive Test Ban Treaty, a Chinese map that includes the Indonesian-owned Natuna Islands, and overlapping claims to islands in the South China Sea.

"Ali Alatas correctly said that relations between the two countries, especially in the economic field, had been well developed. Multilateral issues will be discussed during the ASEAN *annual ministerial meeting* and *post-ministerial conference* in Brunei Darussalam at the end of July. We describe the statement as 'correct' from the diplomatic point of view. However, diplomacy is just a way to ensure the success of a strategy. Thus, we need to offer the PRC and ASEAN members a 'great' strategy to serve the political, economic, and military interests of all countries in the South China Sea."

The editorial recalls the construction of the Great Wall in China centuries ago to enable the Chinese people to ward off foreign invaders. However, the wall lost its strategic value later due to technological progress.

"Based on this historical analogy, the Spratlys and Paracels will no longer be strategic for China, Vietnam, and ASEAN members in less than a century due to very rapid progress in technology and armament. The Khyber Pass, which links Afghanistan with the southern part of Russia [as published], was very strategic in the past, but is now completely meaningless due to the existence of AWACS [airborne warning and control system], long-range guided missiles, and spy satellites.

"The South Pacific, which is dotted with islands, will probably be more strategic than, for example, the Spratlys and Paracels in the future. Truly speaking, whoever controls the Spratlys and Paracels now can control the South China Sea. However, the disputed areas will be simply similar to a 'security post' in an unused warehouse in less than 100 years. This is what we mean by the 'great' strategy that we must offer to the disputing parties."

Jakarta KOMPAS in Indonesian on 24 July carries a 900-word editorial on page 4 entitled: "We Hope That China Will Ratify the Convention of the Law of the Sea for the Sake of Good Bilateral Relations."

The editorial states: "The status of the Natuna Islands is clear after Foreign Minister Qian Qichen officially told Foreign Minister Ali Alatas that the oil-rich islands belong to the Republic of Indonesia. As quoted by Foreign Minister Ali Alatas upon his return home from Beijing last Friday (21 July), Foreign Minister Qian also stated that China has never claimed the Natuna Islands as part of its territory."

The editorial regards Foreign Minister Qian's statement as a reply to a diplomatic note that Indonesia sent to China in September 1994 over a controversial Chinese map that includes the Natuna islands.

The editorial notes: "Initially, we felt that China had 'stabbed us in the back' because we had sponsored five annual workshops on the South China Sea, the latest of which was held in Bukit Tinggi last year. The workshops had been designed to develop cooperation among six countries (China, Vietnam, Taiwan, the Philippines, Malaysia, and Brunei Darussalam), which have overlapping claims to the Spratlys.

"Within a larger context, the Natuna issue reflects China's new move as a big country that wants to play a role in the Asia-Pacific region because of drastic changes in the wake of the end of the Cold War. We conclude that big countries such as China certainly have been tempted to assume an influential or decisive role in the region.

"Looking back at the history of China as the 'middle kingdom,' we see that the world's most populous country had lost 'some of its traditional areas' to the so-called colonialists. The lost areas include the Korean peninsula, Indochina, and most of the South China Sea."

The editorial believes that the Chinese communist leadership is bent on recovering the lost areas, especially the Spratlys, Senkaku Island now controlled by Japan, and Taiwan. China is building up its military power and pursuing an aggressive foreign policy apparently to achieve its ambition. Logically, China's behavior has become a source of concern for its neighbors. Some even fear that China will eventually expand its sphere of influence by military means.

The editorial, however, does say: "We ourselves doubt that China does intend to expand its sphere of influence or invade its neighbors. We are convinced that China, which painfully won its independence and subsequently adopted an anticolonialist foreign policy, has no intention to invade and colonize its neighbors.

"It is indeed true that China was involved in border wars with India, the Soviet Union, and Vietnam several years ago. However, the wars were intended to maintain its sovereignty and were not prolonged ones like the Vietnam War or the current conflict in the Balkans.

"We note that China has showed its good will to negotiate disputes with its neighbors besides building up its military power. The country, which is led by Deng Xiaoping, is also willing to sit with ASEAN members at the post-ministerial conferences and the ASEAN Regional Forum to discuss and seek ways to settle political and security issues in the Asia-Pacific region.

"In the Natuna case, China showed its new attitude when Foreign Minister Qian expressed China's readiness to settle the border dispute on the basis of international laws, including the 1982 Convention of the Law of the Sea. If China and Indonesia eventually settle the Natuna case on the basis of the convention, which recognizes 200-mile exclusive economic zones, it will become clear that the Natuna Islands belong to us.

"In February 1992, the Chinese Government ratified an important document — *Law of the People's Republic of China on the Territorial Sea and the Contiguous Zone* — as the historical basis for its claim to the South China Sea. We understand that the law is politically significant within a larger context because it implies that China will not renounce its intention to recover the lost areas."

The editorial concludes: "We hope that China will immediately ratify the convention to ensure that the status of waters around the Natuna Islands will not become an irritant in our relations with China."

Philippines

Manila, Beijing Discuss Spratlys 'Stewardship'

BK2507071195 Manila MANILA STANDARD in English 20 Jul 95 p 2

[Report by Merlinda Manalo]

[FBIS Transcribed Text] The Philippines and China are discussing the possibility of implementing Manila's proposal to designate areas in the Spratlys among its claimants under a stewardship concept, a senior foreign affairs official said.

The source said Foreign Undersecretary Rodolfo Severino and Chinese officials have been discussing arrangements that would make "actions in the South China Sea more predictable."

Manila and Beijing have been holding talks on the Spratlys since March, after Chinese forces were found to have built structures in the Philippine-claimed Mischief Reef in the disputed islands.

The Chinese occupation has led to a diplomatic row between the two countries and elicited expressions of concern from the United States and other countries within the region.

The potentially oil-rich chain of islands in the South China Sea is being claimed by China, the Philippines, Vietnam, Malaysia, Brunei, and Taiwan.

According to the source, Severino will resume talks with Chinese officials on Manila's proposed stewardship concept after the security meetings of the ASEAN Regional Forum in Brunei next month.

Under the concept, claimants would be designated specific areas in the South China Sea geographically nearest to their territory. Each claimant would then be responsible for the management of the natural resources in their assigned areas, although this arrangement should not prevent other countries, including the claimant-states, from developing these areas for peaceful purposes, Severino earlier explained.

Acting Foreign Secretary Domingo Siazon, Jr. had said China has indicated "openness" to discuss the Spratlys dispute based on international laws and not solely on its historical claim.

Siazon said China may agree to discuss the issue based on the United Nations Convention on the Law of the Sea (UNCLOS) which establishes mechanisms pertaining to conflicting maritime claims. The UNCLOS has a provision allowing states to designate 200-mile exclusive economic zones.

Severino said that under the stewardship concept, which is consistent with the UNCLOS, the extent of the areas designated to each claimant still needs to be discussed among them.

President Delivers State of Nation Address

BK2507084795 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0802 GMT 24 Jul 95

[State of the nation address by Philippine President Fidel Ramos during the opening of the 10th Congress at the National Assembly in Manila on 24 July — live, in English]

[FBIS Transcribed Excerpt] Development, ladies and gentlemen, we are often told has a price that must be paid by those who want it. In the past, because we have been unwilling to pay that price, our nation could only falter and decline. Today, we are a more capable people and a more capable country because these past three years we have paid a substantial downpayment in development. The reforms we have dared to carry out, the hardships we have endured, the gains we have won — all these will reap benefits of progress.

Again and again, over these three years, we Filipinos have shown ourselves and the world that the Filipino can succeed in the struggle for development; carry ambitious programs to their conclusion; and succeed, not by taking the authoritarian route, but by democratic consensus and collective effort. [applause] [passage omitted]

Over these next three years, we have three or six major tasks.

1. We must adapt to the competitive world economy;

2. We must reform our electoral system to cut down the power of money politics and to bring together, in the words of Pope John Paul II, and I quote: The realms of private conscience and of public conduct, unquote; [applause]

3. We must stamp out criminality and its associated evils, corruption in the bureaucracy and police, and laxity in the justice system;

4. We must prevent poverty from perpetuating itself;

5. We must acquire the capability and self-reliance to account for ourselves in the world; and

6. We must raise the quality and integrity of our governance because only the competent and responsible exercise of authority can bring about our country's modernization.

Let me elaborate on these top priority tasks. The continued expansion and modernization of the economy must be our primordial concern. This early, we must ask ourselves: Can we catch up and then keep in step with our vigorous neighbors? If we fail to adapt to new economic realities, we will lag even further. Worse, we may fade away the gains we have already won. How, then, do we squarely face this challenge? How do we stay on track and accelerate our advance?

God helps those who help themselves. Our economic turnaround is an achievement created — with God's help — by our people's labor and will. All that government can justly claim is that it has begun to create the environment in which business can flourish; workers can create wealth and secure for themselves a just share of it.

We must press on with deregulation and liberalization and bring down the last of our self-imposed barriers to economic growth left over from the age of protectionism. [applause] [passage omitted]

Our foreign policy today rests on three pillars: Political security, economic diplomacy, and protection of Filipinos overseas.

In recent weeks, I have ordered policy and procedural reforms to all government agencies and foreign missions concerned so that we can respond more promptly, adequately, and effectively to the concerns, problems, and difficulties of our new heroes, our overseas workers, of whom there are 4 million.

Our diplomacy for development has brought dividends in trade, investments, and goodwill in renewing our friendships in the world. We initiated Southeast Asia's newest growth quadrangle. This ASEAN growth area, or EAGA [East ASEAN Growth Area], is a founding member of the World Trade Organization. An urgent task of Congress is also to further harmonize our trade, investment, agricultural, and industrial policies with our commitments under the Uruguay Round agreement.

This year, we chaired the Group of 77, consisting of 135 nations, and we have a key role in the Nonaligned Movement, or NAM. Next year we shall host the leaders' summit of Asia-Pacific Economic Cooperation, or APEC, at which venue we will continue to champion the development of the human resources of our 18 member economies, believing that every economy should make human beings the center of each concerns.

The Armed Forces modernization program enacted by the Ninth Congress enables us to improve our capability to defend our national territory and to enhance our influence in promoting regional security cooperation. In undertaking the program, self-reliance will continue to be our guiding principle. This we will push to new heights by matching research with technology and production expansion in the country.

But far more than merely acquiring or installing the latest equipment, the development of our human resources is the most meaningful component of our defense modernization. We need soldiers and highly dedicated, highly trained, forward-looking men and women in the ladder of command.

Our relations with the United States we must place on an even keel — on the basis of trade, not aid — removing the residual bitterness of their departure from Philippine bases.

And our dispute with China over the Mischief Reef and the conflicting claims in the South China Sea, we have worked consistently to prevent this issue from breaking out into a conflict while proving to the world that we are prepared to defend our borders. In recent weeks, our diplomats have pushed for consensus on a code of conduct in the South China Sea that all claimants will respect.

In Japan, far-reaching economic changes seem imminent. We should further open its markets to our products and bring a fresh wave of Japanese investments into our country.

In Southeast Asia, recent events carry forward our hopes for the eventual integration of its 10 countries. Vietnam is poised to become a member of ASEAN. Laos is already an ASEAN observer country. Cambodia has acceded to the Treaty of Amity and Cooperation in Southeast Asia. And with encouraging developments in Myanmar [Burma], we hope it too would soon be brought into the ASEAN process.

Together with our friends in the world, we must work for the reform of the United Nations system to make it a more effective instrument for multilateral peacekeeping. [passage omitted]

Thailand

Article Previews Brunei ASEAN Meeting

BK2407060995 Bangkok BANGKOK POST in English 24 Jul 95 p 5

[Article by "POST Foreign Desk": "ASEAN Ministers Get Together To Plan Strategy"]

[FBIS Transcribed Text] ASEAN foreign ministers will get together for their annual meeting in Brunei this week to set strategies for the group amid signs of improvement unfolding in the region.

Changes in Vietnam and Burma will prompt the Association of Southeast Asian Nations to assume a more active role in regional cooperation.

"We think it's time for even closer cooperation among Southeast Asia nations," said Thai Deputy Permanent Secretary for Foreign Affairs Sarot Chawanawirat.

Laos, Cambodia and Burma, which belong geographically to the region should be fully aware of ASEAN's actions and thoughts about the region in the lead-up to their eventual membership of ASEAN in the future.

Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand will officially admit Vietnam as a seventh member this Friday (July 28) on the eve of the 28th ASEAN Ministerial Meeting to be held in the Bruneian capital of Bandar Seri Begawan. Senior ASEAN officials begin talks today to prepare agendas for their ministers.

Vietnam's entry tears down the ideological barriers hitherto separating ASEAN from its Indochinese neighbours. It's the first step towards integration of other non-member states under one umbrella.

The release of Nobel Laureate Aung San Suu Kyi by the Burmese military junta makes it easier for the group to think seriously about the future role of Burma in ASEAN.

Burma will be represented as a guest of the host country for the second year and its foreign minister Ohn Gyaw has made clear that Rangoon wants to accede to the Treaty of Amity and Cooperation, which would pave the way for an observer status and eventual full membership.

But the accession to the treaty does not mean Burma immediately will be come an observer, unlike the cases of Cambodia, Laos and Vietnam. ASEAN members need to further consider granting observer status to Rangoon.

And ASEAN officials do not want to rush the issue when uncertainties still prevail in Burma's internal politics.

"How fast the next step will be depends upon discussions among ASEAN senior officials in the forthcoming session," explained Norachit Sinhaseni, the director of the East Asian Affairs Department's Division One which covers Indochina (including Burma).

Deputy Permanent secretary Sarot insisted that ASEAN would not review "the constructive engagement policy" it has adopted towards Burma since 1988 as Aung San Suu Kyi's release does not mean all things inside Burma have been settled. Her freedom only signals Rangoon's flexibility towards national reconciliation.

"Burma is trying to rebuild the country. If negotiations between the government and its ethnic groups, with the cooperation of Aung San Suu Kyi succeed, the situation in Burma will improve," said Mr. Sarot.

Preparations for a historic meeting of leaders of 10 Southeast Asian nations in Bangkok later this year is another item on the agenda in Brunei, as ASEAN leaders are pondering how to accommodate Burma, Laos and Cambodia.

"ASEAN does not want the 10 Southeast Asian leaders' meeting to overshadow the ASEAN summit. Yet at the same time, it does not want leaders of non-ASEAN nations to feel left out from discussions," he said explaining the delicacy of the matter.

Thailand will host the fifth ASEAN Summit on December 14-15. The outcome of the Brunei consultations will provide input for the Bangkok summit which aims to establish a vision of "ASEAN towards the 21st century".

In Brunei, ASEAN ministers will invite their counterparts from China, Japan and South Korea to an informal luncheon to discuss the future of the East Asian Economic Caucus, an idea proposed by and vigorously pursued by Malaysia. ASEAN is expected to reiterate its determination to go ahead with the caucus which will operate under the Asia Pacific Economic Cooperation forum, another larger organisation in which ASEAN also belongs.

On another crucial topic, ASEAN will get together with the so- called European Union troika — Spain, France and Italy, which are the past, incumbent and future chairmen of the Union — to form ideas on participation, the agenda and venue for the first Europe- Asia meeting tentatively scheduled for March next year in Bangkok.

The officials are expected to develop what will transpire from the original idea for an ASEAN-EU summit. A moderate achievement would be an agreement on the title of the gathering which is no longer an ASEAN-EU Summit but a prosaic and interim Europe-Asia Meeting now that India, Pakistan, Australia and New Zealand have expressed an interest in participating.

On the problem front, the South China Sea conflict, Burma and nuclear matters will surely surface during the ministerial talks in Brunei.

Competing claims over the Spratlys will figure during the ASEAN Regional Forum (ARF), which takes place next Monday. For the first time, Cambodia as an observer to the ASEAN meeting will attend the forum together with the line-up of other 18 participants.

After its debut in Bangkok last year the ARF has arrived at a critical juncture whereby some participants have called upon matters of substance — such as the potential South China Sea flashpoint — to be addressed concretely.

The call came from the US, but China, which is staking an aggressive claim to both the Spratlys and Paracels, has objected to the inclusion of the South China Sea topic in the ASEAN Regional Forum.

ASEAN prefers to see the regional forum evolve at its own natural pace with the creation of mutual trust the primary goal at this stage.

"We are not trying to escape problems... but if one member, a significant player at that, is uncomfortable about certain things, we have to take into account her feelings," said an analyst in obvious reference to China. "And since she's important, can you imagine the impact of her withdrawal from the regional forum altogether?"

At the end of the day, the South China Sea inevitably will come up during the free-for-all exchange of views since the ASEAN Regional Forum is about regional security.

China's resumption of nuclear tests in June and France's decision to conduct underground nuclear tests on Mururoa Atoll in the South Pacific in the next two months are major disappointments for ASEAN and other Asian countries following the indefinite extension of the nuclear non-proliferation treaty.

ASEAN is trying to finalise a draft declaration on the Southeast Asia Nuclear Weapon Free Zone (SEAN-WFZ) in Brunei. If things proceed smoothly, ASEAN will launch the idea officially at the Bangkok summit.

Japan is expected to raise the issue of China and France's nuclear activities during talks with ASEAN in the two-day post ministerial conference starting August 2.

The forum is for ASEAN members to meet with dialogue partners, namely Australia, Canada, the European Union, New Zealand, South Korea and the United States, in addition to Japan.

These countries are also participants in the regional security talks which include China, Russia, Laos, Vietnam, Papua New Guinea and Cambodia.

Aware of concerns the ASEAN Regional Forum might lose steam without concrete achievements, ASEAN plans to step up government sector activities before the third meeting next year in Indonesia.

DPRK Vice Foreign Minister Arrives in Bangkok

OW2307120895 Tokyo KYODO in English 1125 GMT 23 Jul 95

[FBIS Transcribed Text] Bangkok, July 23 KYODO — North Korean Vice Foreign Minister Choe Su-hon arrived in Bangkok on Sunday [23 July] for talks with newly appointed Foreign Minister Kasem Kasemsri, North Korean Embassy officials said.

Choe is accompanied by Chi Chae-chin, head of the Asia Affairs Bureau in the North Korean Foreign Ministry, the officials said.

The two are scheduled to meet Kasem on Monday.

Diplomatic sources said the North Koreans are expected to urge Thailand's support for Pyongyang's bid to join the Association of Southeast Asian Nations (ASEAN) Regional Forum, a regional security forum.

The first ministerial meeting of the forum was held in Bangkok in July last year. The forum is scheduled to have the second annual meeting in Brunei on Aug 1.

Besides the European Union and ASEAN, which groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand, the others forum members are the United States, China, Russia, Japan, South Korea, Vietnam, Australia, New Zealand, Canada, Laos and Papua New Guinea.

The North Korean Embassy officials, however, said Choe's three-day visit aims at seizing the opportunity of the launching of the new Thai cabinet to develop and expand bilateral relations.

DPRK's Choe Expresses Desire To Join ARF

BK2507014695 Bangkok BANGKOK POST in English 25 Jul 95 p 7

[FBIS Transcribed Text] Visiting North Korean Vice Foreign Minister Choe Su-hon yesterday reiterated Pyongyang's wish to participate in the ASEAN Regional Forum (ARF).

Mr Choe, who is paying a three-day official visit to Thailand, said he raised the issue during talks with senior Thai officials yesterday. He met for 30 minutes with newly-appointed Foreign Minister Kasemsamoson Kasemsi, followed by a working lunch hosted by Deputy Permanent Secretary Phirat Isarasena.

"This visit is successful in all aspects. Both sides have exchanged profound views and agreed on the goal of our government about the ARF which we had constructively expressed with the Thai side," Mr Choe told reporters through an interpreter.

North Korean Ambassador to Bangkok Yi To-sop said Thailand has been supportive of his country's wish.

ARF, a loose consultative forum for political and security dialogue in the Asia and the Pacific, is due to hold its second meeting on August 1 in Brunei as part of the annual meeting of the ASEAN foreign ministers.

North Korea has been eager to participate in the ARF since it was officially launched in Bangkok last year and was able to involve major powers such as China, the United States, the European Union and the Russian Federation.

Security in the Korean Peninsula and nuclear non-proliferation are on the agenda. South Korea is not only a participating country but has also been asked by ASEAN to draft a paper on security in the Korean Peninsula.

But North Korea's participation in the ARF has been a sensitive issue — not all the participating countries would welcome it. ASEAN, which wants to remain the core of the ARF, has been reluctant to move into areas which it feels is outside its scope.

A source at the meeting said the Thai side recommended that Mr Choe bring up Pyongyang's wish with Indonesia, which will take over the ASEAN chairmanship from Brunei after this forthcoming annual meeting.

Mr Choe, accompanied by Asian Affairs Department director-general Chi Chae-chin, visited Indonesia, Malaysia and Singapore prior to their arrival in Bangkok last weekend. The delegation is due to return to Pyongyang tomorrow.

Their visit coincides with a move by the Foreign Ministry to soon seek funds from the Cabinet to support the Korean Peninsula Energy Development Organisation (KEDO).

[Bangkok THE NATION in English on 25 July in a similar report on page A3 adds: "Foreign Minister M.R. Kasemsamoson Kasemsi said yesterday that Thailand would contribute toward the construction in North Korea of a light-water reactor to replace a graphite one.

"Kasemsamoson told reporters after a meeting with North Korean Deputy Foreign Minister Choe Su-hon that the proposal would soon be discussed by Cabinet.

"He said Thailand supported such a constructive move and hoped for peace and stability on the Korean peninsula. Kasemsamoson said he and Choe discussed security in the peninsula and economic issues.

"Last year, when Thailand hosted the first Asean Regional Forum, it expressed support for efforts to maintain peace in the peninsula.

"The Chairman's Statement released after the forum said that given the importance of the non-proliferation of nuclear weapons in the maintenance of international peace and security, participants welcomed US-North Korea negotiations and endorsed the early resumption of inter-Korean dialogue."]

Thaksin Dismisses Report on Cabinet Drug Links

BK2507033195 Bangkok THE NATION in English 25 Jul 95 p A3

[FBIS Transcribed Text] Deputy Prime Minister Thaksin Chinnawat yesterday dismissed newspaper reports that two members of the Banhan Cabinet had been blacklisted by the United States for their suspected involvement in drug trafficking.

Thaksin said that while he was foreign minister in the Chuan government, he checked with Washington, which confirmed that there were "no more" Thai politicians linked by the US government to the drug trade.

The deputy prime minister was reacting to reports yesterday in KRUNGTHEP THURAKIT quoting a "high-placed source" from the Office of the Narcotics Control Board (ONCB).

The ONCB source said two members of the Banhan Cabinet had been "blacklisted" by the US Drug Enforcement Administration and would be denied entry visas to the United States if they applied for them.

"It's impossible that there are drug-related blacklisted members in the Banhan Cabinet," Thaksin said.

"While I was foreign minister, I asked the United States whether there were other politicians (suspected of involvement in drug trafficking). They said there were no more. There were only the ones they announced at that time."

Thaksin was apparently referring to Chat Thai deputy leader Watthana Atsawahem, Chat Thai chief adviser Narong Wongwan and former Chat Thai MP Thanong Siriprichaphong.

Thaksin said that if it was clear that the Cabinet of Chat Thai leader Banhan Sinlapa-acha included alleged drug traffickers, the Phalang Tham Party would pull out.

"But since everything is not clear yet, we have to give them a chance... If we have partners who behave badly, we will not stay with them," Thaksin said.

The ONCB source reportedly said one of the "blacklisted" ministers was an MP from a central province who was a partner in hotels and tourism businesses in the North.

Deputy Finance Minister Praphat Phothasuthon (Chat Thai-Suphan Buri) said yesterday that he was "puzzled" by the reports.

"I don't know who the reports were talking about," Praphat said.

He said in the past he had no problem getting a visa to the United States.

However, he said, he had not made trips abroad for several years "because I am afraid of heights. I rarely travel because I am afraid of airplanes and heights. I also drive to Chiang Mai instead of flying".

U.S. Visa Rejections Termed 'Political Game'

BK2507142495 Bangkok Thai Color Television Channel 9 in Thai 12 GMT 25 Jul 95

[FBIS Translated Text] Suchat Tancharoen, deputy interior minister from the Chat Thai Party, said that the report on the rejection of U.S. visa applications from two cabinet members was a political game.

He noted that the report was aimed at impairing the government's image because the evidence, if any, should be publicized before the formation of the government. A report of this nature is unfair to the accused persons. He said:

[Begin Suchat recording] We should find out whether or not this matter is politically motivated. After the formation of every government in the past, there were always negative reports against ministers. No evidence was provided to incriminate them. If they have the evidence to substantiate their accusation, they should file lawsuits against them. They used the mass media to spread such reports. That is unfair at all. [end recording]

Commenting on the accusation made by some critics of the government's failure to state clearly its position on the amendment of Article 211 of Constitution, the deputy interior minister said that the prime minister had pledged to do so during his election campaign and, therefore, the government will make serious efforts to amend the Constitution. It will take time and require cooperation from both the House of Representatives and Senate.

Army Denies Blocking Rice Aid to Cambodia

BK2507112195 Bangkok THAILAND TIMES in English 25 Jul 95 p A3

[FBIS Transcribed Text] Bangkok — Vice Admiral Kraichit Sirisombat, the director of the Armed Forces Information Office of the Supreme Command, said yesterday that the accusations leveled against Thailand by some newspapers are untrue.

Some newspapers had referred to reports from AFP news service in Phnom Penh, saying that Thai officers along the Thai-Cambodian border had stopped vehicles from transporting rice into Cambodia because of fighting between the Cambodian government forces and the Khmer Rouge.

The vice admiral said the accusation was groundless and that the National Security Council has agreed to World Food Program's transportation of 8,209 tons of rice ordered from Sin Udom Surin Co, Ltd into Cambodia from July 1 to August 31, as Cambodians are facing a shortage of rice.

The National Security Council had earlier offered assistance to the transportation of 6,608 tons of rice into Cambodia via Sa Kaeo's Amphoe Aranyaprathet, during the month of March.

The vice admiral ruled out all charges against Thailand.

"Any obstacles in transporting rice are currently due to the inconvenience of the rainy season, and the handling of hundreds of thousands of sacks is also a difficult undertaking," he said.

He also said the Cambodian government is to take charge of the transportation.

He added that the military has always supported the Thai government's policy regarding humanitarian aid, and that some rice has already reached Cambodia since July 21st.

Also yesterday Kraichit said Thailand is prepared to deal with all possible crises that may result from armed conflicts between Cambodian government forces and the Khmer Rouge along the Thai- Cambodian border.

Colonel Charin Wongprakop from the Burapha Armed Force Division revealed that shells that were volleyed between Cambodian forces and the Khmer Rouge had fallen into Thai territory opposite Amphoe Aranyaprathet, causing some damage.

The Burapha Division had to forcefully repel intrusions into Thai territory, he said.

Charin added more skirmishes are expected because the Khmer Rouge are getting a foothold in this area along the border which they will use as a base to fight Cambodian government forces.

Wimon Views Military Reshuffle, Chawalit Role

BK2307153395 Bangkok THE SUNDAY NATION in English 23 Jul 95 p B6

[Article by Watsana Nanuam: "All Set For The Changing Of The Guard"]

[FBIS Transcribed Text] It remains unclear if new Defence Minister Chawalit Yongchaiyut will intervene in the annual military reshuffle, especially as Army chief Wimon Wongwanit retires in September.

Gen Wimon had earlier stated that he believed former Army chief Gen Chawalit would not interfere in military affairs, because he knew that would weaken the military and cause confusion.

The Army chief also hinted at a political backlash if MPs intervened in military affairs.

"If they want to make changes to the list, let them. I wouldn't mind. But I think they understand what they have to do if they do not want the military to become involved in politics," he said.

Normally, the official list of promotions and transfers would be released in September, although the public is supposed to be informed by-late August. The Army, Navy and Air Force each propose a list to the Supreme Command, which then forwards copies to the Office of the Permanent Secretary for Defence, the defence minister and the prime minister.

Unusually, this time, the reshuffle list has already been worked out and is expected to be sent to the Supreme Command by the end of the month.

Wimon dismissed rumours that the military had been in a hurry to complete the list in order to get it approved by the former Chuan Likphai government.

He said he hoped Gen Chawalit would not interfere with the military because as a former military man himself he was supposed to understand the situation.

"He knows what goes on because he is a former Army chief. Nobody interfered in his decision when it came to a reshuffle," Wimon said. "I know Gen Chawalit well, and he knows me too."

Supreme Commander Gen Watthanachai Wutthisiri, who also retires in September, has worked on the reshuffle list with Armed Forces Chief of Staff Gen Pramon Phalasin, who is expected to become the new supreme commander.

Watthanachai said earlier that only an officer from the Supreme Command should take over the post.

Nobody knows what Chawalit will do as defence minister, particularly as his relations with Class 5 graduates from Chunlachomklao Royal Military Academy turned sour before the May 1992 political turbulence.

A Class 5 graduate, Gen Suchinda Khraprayun, who was promoted to Army chief by Chawalit, accused the defence minister of favouring of soviet-style communism at a parliamentary meeting after he became prime minister.

It is believed, however, that Chawalit will not attempt any revenge on Class 5 officers.

Critics have said Chawalit should have foreseen the new government's potential instability and, therefore, built a political base within the military establishment to boost his chances of becoming a future prime minister.

If that is the case, Chawalit knows fully well how to handle the military.

An Army source said deputy Army chief Gen Phaibun Emphan, who is likely to become the next Army chief, has said any outsider who wants to amend the list should first consult the people concerned.

Phaibun, a Class 5 graduate, was apparently referring to the defence minister.

If Chawalit opposes Phaibun taking over from Wimon, Army Chief of Staff Gen Suthep Siwara could be a dark horse for the post.

Phaibun's former classmate, Gen Suthep is expected to continue serving as Army Chief of Staff until his retirement next year.

Assistant Army chief Chettha Thanacharo, a Class 9 graduate, would become deputy Army chief in the upcoming reshuffle, thus boosting his chance to become Army chief in the future.

It is speculated that 2nd Army Regional commander Lt Gen Surayut Chulanon and Army adviser Gen Narunat Kampanatsaenyakon would become deputy Army chiefs.

If Surayut fails to get the post, his chance of becoming Army chief would be drastically reduced. In that case, Lt Gen Samphao Chusi, a Class 12 officer, who is backed by several Class 5 officers, could have the potential to take over the post. Surayut took part in the Feb 23, 1991, coup.

Military sources said there was a proposal that Gen Chettha should remain as assistant Army chief and Gen Ariya Ukhotkit, director of the Army-controlled TV Channel 5, should become deputy chief. However, it seems that Ariya does not want to leave his present position.

There was also an effort to push Deputy Permanent Defence Secretary Wirot Saengsanit, a Class 5 officer, into the job of Army chief, but Wirot is said to be happy with his present position.

Some proposed that Army Chief of Staff Suthep Siwara should be moved to the Supreme Command or the Defence Ministry, therefore opening a chance for another officer to take over this post. Two promising candidates are Gen Narunat and Gen Chainarong Nunphakdi, deputy Army Chief of Staff.

It is believed that Chainarong, who is close to Wimon, is eyeing the Army chief of staff post because that would boost his chances of becoming the Army chief.

There has been an effort to move National Security Command Director Gen Watthana Sanphanit, who has close links with former prime minister Chuan Likphai, to an assistant chief's post. It is said that Supreme Commander Watthanachai was once asked by Chuan to comply with Watthana's wishes.

However, Wimon opposed the move, saying it was unnecessary to move any officers from the Supreme Command to the Army. It is said that Wimon and Watthana are at odds with each another.

Whatever happens, Wimon will be in retirement. He has repeatedly said he would not enter politics after he retires, nor would he accept a position as president of the Thai Military Bank despite the job offering an annual income of about [Thai baht] Bt9 million.

Foreign Minister To Continue Burma Policy

BK2307133695 Bangkok THE SUNDAY NATION in English 23 Jul 95 pp A1, A3

[FBIS Transcribed Text] Thailand will continue to pursue a policy of constructive engagement with Burma in an effort to bring "changes" to the country, new Foreign Minister M.R. Kasemsamoson Kasemsi said yesterday.

Kasemsamoson said he would seek to have talks with his Burmese counterpart U Ong Gyaw next week, when they would both be attending the 28th Asean Ministerial Meeting in Brunei.

Constructive engagement was initiated by Thailand and later adopted by the Association of Southeast Asian Nations (Asean). The policy argues that isolating Burma is not the right way to bring about positive change.

"I don't think constructive engagement benefits only a few and destroys others," Kasemsamoson told reporters at his first press conference at the Foreign Ministry.

Western governments have criticized the policy, claiming that it was being used by Thai businessmen to pursue unscrupulous business interests in Burma, thereby strengthening the repressive ruling military regime.

"Thais and Burmese are like brothers, not brothers to Slorc (the State Law and Order Restoration Council) but to the Burmese people," Kasemsamoson said.

"Though economic growth is not an index for democracy, we have seen from past events that economic progress has led to it," he said.

Kasemsamoson said the prosperity the Burmese people gained as a result of constructive engagement could eventually lead to "liberalization".

Peace and stability in Burma would also mean trade opportunities for Thailand.

The minister said that while Thailand welcomed the July 10 release of Burmese national heroine Aung San Suu Kyi and hoped for national reconciliation, the government would remain distant from Burma's internal affairs.

Relations between the two countries have deteriorated since February, when Rangoon intensified a series of military actions against Karen armed insurgents and later Khun Sa's forces along the Thai-Burmese border, and accused Thailand of aiding them.

In June, Burmese authorities suspended the construction of the Thai-Burmese Bridge across the Moei River, accusing Thai villagers of infringing upon their territory.

Kasemsamoson said Asean members would discuss the issue of Burma's future relations with the organization at the ministerial meeting in Brunei on July 29.

Burma approached Asean a few weeks ago, prior to the release of Suu Kyi, indicating it wanted to accede to the Treaty of Amity and Co-operation in Southeast Asia, a step towards becoming an observer country.

Burma is the only Southeast Asian nation with no affiliation to Asean. Vietnam will become a full member next Friday, when Cambodia will become an observer. Laos is already an observer.

Kasemsamoson outlined Thailand's agenda for the Brunei meetings which will be his first appearance abroad, providing him with the opportunity to meet other foreign ministers and to explain the new government's policies.

He will leave for Brunei on Thursday.

Kasemsamoson said Thailand would clearly outline its foreign policy of "keeping the national interest above all else". He plans to use the Asean forum to muster benefits not only for Thailand, but for the region.

The government would use Thailand's role as chairman of the Asean dialogue meeting with Japan to win Tokyo's economic support for the integration of all Indochinese states into Asean.

The minister said Bangkok and Tokyo already enjoyed good "industrial relations", but he thought Japan could play a more active economic role in the region.

Thailand welcomed Vietnam's entry into Asean and would support Hanoi's request to delay its entry into the Asean Free Trade Area.

Hanoi is seeking a three-year delay in joining the tariff reduction programme which aims to reduce tariffs on non-agricultural products to five per cent by 2003.

Kasemsamson yesterday paid customary tribute to the statue of the Foreign Ministry's founding father, Krom Phraya Thewawong Waroprakon, a practice new foreign ministers have performed for decades.

He was welcomed by Permanent Foreign Secretary M.R. Thep Thewakun, who was appointed just before the July 2 election. Afterwards, Kasemsamoson called a meeting of senior officials to set policy guidelines and discuss preparations for the Asean meeting.

Kasemsamoson's appointment as a non-MP minister on the Nam Thai quota sparked controversy within the party. He is the first foreign minister in many years without a deputy, but said yesterday he was confident he would still be able to lead Thailand actively on the world stage.

MP Prathan Sawangwarorot (Nam Thai-Phetchabun) is Kasemsamoson's secretary and Gen Siri Thiwaphan, a non-MP and former 3rd Army Region commander, is the party's chairman of the ministry's advisory board.

Kasemsamoson said Thai-United States ties would not be affected by the fate of Thanong Siriprichaphong. The former Chat Thai MP has been charged by a US court with drug smuggling. A Thai court has approved his extradition.

The minister said the previous administration was responsible for asking the court to rule on Thanong. The next move was up to Thanong.

Surakiat Pledges 'Aggressive' Role in Forums

BK2407151595 Bangkok THE NATION in English 24 Jul 95 pp B1, B2

[FBIS Transcribed Text] Newly-appointed Finance Minister Dr Surakiat Sathianthai has announced that the Finance Ministry will take the lead in implementing offensive diplomatic strategies at international economic forums.

He said Thailand would join with the U.S. to pry open the Japanese rice market ally with ASEAN countries to resist pressure from major economies in the services sector, and deepen ASEAN cooperation through a planned fund to help the industries affected by the ASEAN Free Trade Area.

Speaking on Saturday — his first day in office — Surakiat said, "In the past Thailand seemed to play a defensive role waiting for proposals from other countries during international negotiation forums. At the APEC forum in particular, the Finance Ministry was normally waiting for an opportunity to comment. It is time we should play an aggressive role," he stressed.

Surakiat spoke to reporters after entering the Finance Ministry's headquarters on Saturday, the same day all the ministers under the Chat Thai Party quota started their jobs. The time was set at 11.39 am, which was considered an auspicious time to step into the ministry.

Sources said that although the new Cabinet under Prime Minister Banhan Sinlapa-acha started meeting on last Thursday, none of the Chat Thai ministers went to their ministries that day because Thursday was believed to be doomsday, according to one superstitious belief.

Surakiat has been facing strong criticism from commentators who have questioned his ability to oversee the Finance Ministry as he hardly has any experience. However, on Saturday Surakiat came to the ministry full of confidence, and said he would run the Finance Ministry with his extensive skills in international economic issues.

Regarding international economic negotiations, "The Finance Ministry has been playing a back-seat role so far," Surakiat commented. "That is going to change," he said.

Surakiat, a former dean of the Faculty of Law at Chulalongkon University, said he would balance an emphasis on offensive international economic policies with the fiscal and monetary policies.

At APEC forums, Surakiat said the Finance Ministry would have to take action to cut duplicating procedures in customs duty collection. "We will have clear-cut measures on how far we can follow the agreement. Thailand might ally with partners to push through new initiatives as well," he said.

A source from a governmental committee said the Chat Thai-led Cabinet has already set a broad policy for the APEC forum under which Thailand would work with the U.S. to urge Japan to open its rice market further than it has committed itself to so far.

Moreover, Thailand would ally itself with ASEAN countries and others such as South Korea and Taiwan, who have the same positions in terms of trade in services, to resist the developed APEC countries, especially the U.S..

As the APEC liberalization process is developing fast, Thailand has to strengthen the economic cooperation under AFTA. He said the government has to study the possible impact of APEC on AFTA and which direction AFTA should move in.

Former Deputy Prime Minister Suphachai Panitchaphak proposed an initiative to create a common market among ASEAN countries, but Surakiat was cautious about that, "We have to consider whether the common market is the right step to take next."

Nonetheless, Surakiat said he would follow an ASEAN initiative to include farm goods in the AFTA tariff reduction scheme.

On the fiscal and monetary policies, Surakiat said the government would use the balanced budget. "The question of whether to increase the budget will have to be considered with the officials in charge later on," he noted.

Surakiat said the government was aware that the rising budget might affect inflation. As such, "we might not directly increase the value of the budget, but generate funds indirectly from other budget sources," he said.

"But I can give an assurance that we will not use the fiscal reserves for political motives," he said.

Surakiart said the ministry would be able to submit the budget to parliament for the first reading in December.

He added that the government might have to allocate funds for immediate issues, especially for the traffic crisis which should be solved within six months.

Vietnam

Sources Say More Possible MIA Remains Found

BK2507115595 Hong Kong AFP in English 1142 GMT 25 Jul 95

[FBIS Transcribed Text] Hanoi, July 25 (AFP) — Vietnamese and US experts have discovered human remains presumed to belong to US servicemen missing in action during the Vietnam war, Vietnamese sources said Tuesday.

US and Vietnamese experts, working together for more than a month in central Vietnam, found the remains in a search operation that ended Tuesday — the 36th such operation since 1988.

The remains are to be sent to Hawaii August 5 for identification by US experts, the source said.

They will be officially handed over at a ceremony here the same day, attended by US Secretary of State Warren Christopher, who will be on an historic visit sealing normal relations between Hanoi and Washington.

Normalization was announced by President Bill Clinton two weeks ago, and Hanoi pledged to keep up its cooperation with Washington to determine the fate of some 1,600 servicemen missing in action, especially 55 "disputed" cases.

The issue remains one of the main points of disagreement between the two countries.

Some 300,000 North Vietnamese soldiers are officially reported missing since the end of the Vietnam war in April 1975, Vietnamese military sources said.

Plane Downings by Air Defense Troops Recalled

BK2507071595 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 23 Jul 95

[Statement by Major General Ngo Huynh, commander of the Air Defense Force, on the 30th anniversary of the Air Defense Rocket Troops; place, date not given — recorded]

[FBIS Translated Excerpt] Thirty years ago, in early 1965, the Air Defense Rocket Troops [ADRT] were established to meet the urgent demand of the anti-American resistance for national salvation. Soon after the ADRT were founded, on 24 July 1965, air defense rockets suddenly appeared in our fatherland's skies, burning a group of enemy aircraft and creating a victorious tradition for the ADRT.

Nearly a third of a century after this glamorous victory, the ADRT have developed through combat with the Air Defense Artillery Troops, Radar Troops, Air Force, and other air defense forces to record excellent military achievements. These are clearly exemplified in the Dien Bien Phu air war [reference to U.S. bombing campaign of Christmas 1972]. During the 1972 bombing, the ADRT became a key force in the surface-to-air battlefield of our soldiers and people.

During the anti-American war, the ADRT shot down more than 800 enemy aircraft, including 62 B-52's. [passage omitted on awards for military achievements and efforts to improve performance]

Nguyen Manh Cam Views ASEAN Membership

BK2407151395 Hanoi VNA in English 1418 GMT 24 Jul 95

[FBIS Transcribed Text] Hanoi VNA July 24 — 'Vietnam's joining in ASEAN accords with the growing trend of the region and the world at large,' Foreign Minister [FM] Nguyen Manh Cam said at a press briefing held in Hanoi this morning in connection with the upcoming 28th annual meeting of the ASEAN foreign minister which will witness the entry of Vietnam into this regional organisation.

FM Nguyen Manh Cam said: 'Over the past year, the development of relations between Vietnam and each member country of ASEAN clarified the increasing trend of regional integration and internationalization, and Vietnam's joining of ASEAN is commensurate with this trend.

'With its open-door policy', he continued, 'Vietnam has set up diplomatic ties with 155 countries and commercial relations with over 100 countries. More than 50 countries have engaged in investment in and economic cooperation with Vietnam. As a result, Vietnam's accession to ASEAN will help Vietnam and ASEAN member countries as well to broaden their relationship with the world community.'

Mr. Cam stressed 'a decade ago, the relationship between Vietnam and ASEAN had gone ups and downs, now Vietnam's joining of ASEAN as a full member will mark a change in the relationship between Vietnam and other regional countries, thus promoting the friendship, cooperation and development of each country and the region as a whole.

Official on Safeguarding Sovereignty at Sea

952E0081A QUAN DOI NHAN DAN in Vietnamese 4 May 95 p 3

[Interview with Bui Van Suong, vice minister of communications and transportation, date and place not given]

[FBIS Translated Text] [QUAN DOI NHAN DAN] Very briefly, can you tell us about the role of communications and transportation and the problems at sea?

[Suong] Vietnam is a country with a long coastline and many potential capabilities, with ocean communications and transportation being one of those potential capabilities.

Ocean communications and transportation is one of the leading sectors in the Vietnamese economy and is responsible for transporting almost all of the commodities that are imported and exported and most of the commodities sent between the north and the south. Thus, the party and government are always concerned about this, which is manifested in the policies and positions of the party and state.

In accord with government guidelines, in the past period, the Ministry of Communications and Transportation has guided the Vietnam Maritime Department in formulating a plan and strategy to expand the maritime sector between now and the years 2000 and 2010. Based on the guidelines for industrializing and modernizing the ocean communications and transportation sector, an effort must be made to close the gap with the other countries in this region by the period 2000-2010.

[QUAN DOI NHAN DAN] What about the system of ports now and in the future?

[Suong] An efficient system of ports must be built nationwide with three clusters of deep-water ports in the northern, central, and southern regions.

The northern cluster of deep-water ports will include Haiphong and Quang Ninh ports and other adjacent ports. Cai Lan Port will serve as the central deep-water port for ships of 30,000-50,000 tons and have the capacity to handle 26 million tons of commodities by the year 2000.

The central cluster of deep-water ports will include existing ports such as Danang, Quy Nhon, and Nha Trang, which will support the need to expand the economic zones. This cluster of ports will have the capacity to handle approximately 20 million tons of commodities by the year 2000 and approximately 30 million tons by the year 2010. This includes commodities bound for Laos, Cambodia, and northeastern Thailand.

The southern cluster of ports includes the ports of Vung Tau, Saigon, Can Tho, Nam Can, and Hon Chong, with Vung Tau and Saigon ports being the key ports in serving the economic zones in the Mekong Delta, Can Tho, eastern Nam Bo, and Cambodia. The southern ports will be able to handle 32 million tons by the year 2000.

In addition to the three clusters of ports discussed above, the communications and transportation sector plans to expand ocean communications and transportation to serve the coastal islands and the Paracel and Spratly islands.

To ensure the safety of the Vietnamese and foreign ships operating in the East China Sea, there will be more than 50 lighthouses, including remote lighthouses at Song Tu Tay, Da Tay, and Da Lat.

[QUAN DOI NHAN DAN] What will be done to expand signal and liaison?

[Suong] To provide good support to the ships operating along the coast of Vietnam, including those operating in the vicinity of the Paracel and Spratly islands and other islands, the signal and liaison system must be maintained constantly.

The Ministry of Communications and Transportation has made plans to upgrade the coastal signal stations so that they have the capabilities to receive and transmit signals between the mainland, ships, and islands and provide accurate and timely information in any situation. In particular, this will support searching for and rescuing ships and aircraft that find themselves in trouble at sea. Along the international maritime routes and along the routes into port, we are building radar stations in conjunction with the Duyen Hai Station in order to guide ships along the routes, with the aim being to reduce unfortunate accidents such as those that have occurred recently.

[QUAN DOI NHAN DAN] In order to expand the ocean economy, strengthen control, protect the sovereignty and interests of the nation at sea, a very important task is to solidify and renovate the composition of the national fleet. Isn't that right?

[Suong] That's correct. At present, Vietnam has only about 800,000 tons of ships, and most of the ships are old, with the average age of the ships being 19.5 years. And most of these are cargo ships. At the same time, world fleets have switched and are now highly specialized and of large tonnage, 30-60,000 tons for ships that carry bulk goods and 80,000-100,000 tons for oil tankers. Container ships have a tonnage of 2,500-60,000 TEU. Also, passenger and cruise ships are developing rapidly in terms of both number and modernity of equipment.

In the coming years, we must take urgent steps to reduce the average age of our fleet of ships and invest a suitable amount in order to develop a modern fleet of oil tankers, container ships, and bulk carriers so that we have the capability to transport large quantities of primary import-export commodities such as crude oil, rice, and coal. The goal is to enable Vietnam's fleet of ships to transport 30 percent of the exports and imports by the year 2000 and 40 percent, or 30 million tons, by the year 2010.

[QUAN DOI NHAN DAN] What will be the role of the shipbuilding and ship repair industry?

[Suong] The Ministry of Communications and Transportation is stressing expanding the shipbuilding industry. This is a difficult problem for the communications and transportation sector and related sectors. Without suitable policies, such as allowing ship owners to borrow money to stimulate domestic shipbuilding, the shipbuilding sector will not be able to grow, because it won't have any contracts with ship owners. However, for the national interest, the Ministry of Communications and Transportation has set guidelines for expanding two clusters of shipyards in the north and south (Haiphong, Quang Ninh, Vung Tau, and Saigon).

[QUAN DOI NHAN DAN] What is the Ministry of Communications and Transpiration doing to carry out its state management function with respect to the ocean?

[Suong] The Ministry of Communications and Transportation has determined that it is responsible for ensuring maritime safety and defending the sovereignty and interests of the nation by carrying out its state management functions with respect to ship operations, particular those ships operating in commercial economic spheres.

The ministry has guided the Maritime Department in drafting a number of documents in accord with the law. To date, the Ministry of Communications and Transportation has promulgated almost 30 documents under its powers or submitted them to the government for promulgation in order to control things as stipulated by the Vietnam Maritime Code. We have coordinated things with other ministries and sectors in formulating and propagandizing legal documents related to ocean communications and transportation, ports, maritime services, and so on.

The Ministry has also guided the Maritime Department in solidifying and reorganizing 12 port departments, which are the maritime management organizations at the ports, and in organizing maritime safety inspections in order to control and monitor the implementation of Vietnamese laws on ships, particularly foreign ships operating at Vietnamese ports and in Vietnamese waters.

[QUAN DOI NHAN DAN] Thank you, sir.

Nguyen Van Linh Comments on Renovation

952E0084A Hanoi THOI BAO KINH TE VIETNAM in Vietnamese 3 May 95 pp 7, 8

[Interview of Adviser Nguyen Van Linh, former secretary of the Nam Bo Regional Party Committee by P.V.: "Liberation and Renovation"; place and date note given]

[FBIS Translated Excerpt] [P.V.] Dear comrade adviser, as the highest-ranking leader who was continually present on the battlefield in the South, a person who contributed decisively to bringing the revolution to complete victory on 30 April 1975, and at the same time the person who began the great undertaking of renovation in our country, please tell us what factors were the most decisive in bringing about those victories?

[Linh] In the great undertaking of renovation in our country, which was initiated by the Sixth Party Congress and was supplemented and upgraded by the Seventh Party Congress, our party, on the basis of the actual situation and the characteristics of our country, adhered closely to the lives of the masses, fully understood their thoughts and aspirations, directly confronted the truth, affirmed what was being done correctly and severely criticized "The serious mistakes regarding the major stands and policies, strategic guidance, and the organization of implementation" (Resolution of the Seventh Party Congress).

On the basis of the actual situation in recent years, our party learned four major lessons and set forth its renovation policy. That line, which with regard to contents, methods, and direction was completely different from the reform in the Soviet Union, helped our country not only to stand firmly in an extremely complicated world situation and a situation in our country that was very difficult because of the complete loss of aid from the Soviet Union and the socialist countries in Eastern Europe, but also to develop step-by-step and steadily.

[P.V.] Dear comrade adviser, in addition to the decisive factors of leadership by our party and a creative line based on the special characteristics of Vietnam, what matters must receive special attention in leading the revolution?

[Linh] Even during the first days of training revolutionary intellectual youths, Uncle Ho often admonished them, "The revolution is an undertaking of the masses. When you return to Vietnam you must enter deeply into the actual situation, adhere closely to the lives of the working people, penetrate the rural areas, the mines, the enterprises, etc., and eat, live, and work with the working people. Only by being close to the people and understanding their thoughts and aspirations can we teach, organize, and launch a revolutionary movement.

On the basis of Uncle Ho's teachings, the first group of our party's communist cadres became "proletarianize" by operating in the mines, enterprises, and rural areas. I remember that at that time Nguyen Van Cu went to the Hon Gai coal mines, comrades Pham Hung and Le Van Luong pulled rickshaws in Nam Bo, etc.

Because we knew how to organize the masses, at the time of the August Revolution in 1945, although we had only about 5,000 party members in the entire country (many cadres were still imprisoned in the imperialist jails) we were able to launch an extremely vast and strong nationwide movement and won complete political power for the people.

During the two resistance wars against France and the United States, the popular masses arose to oppose the enemy in all three strategic regions, participated in the struggle against the enemy in accordance with the slogan "two leges and three spearheads," used the open and legal, semi-legal, and secret organization and struggle forms, etc. There were many models with regard to those activities by the mass organizations, especially the women's organization. A citizen could both participate in the political struggle and attack militarily and by means of military proselytization in a sweeping operation by the puppet troops.

It was mass forces organized in that manner in the 1975 spring offensive who arose to eliminate traitors and kill the tyrants, won mastership at the local level, prevented the reactionaries from sabotaging such public works as electricity and water, radio stations, TV stations, post offices, etc., and coordinated closely with and created conditions for the main force to advance and force the puppet regime to surrender, while keeping our cities intact.

In the new revolutionary phases, especially in the present renovation undertaking, the role of the popular masses is extremely great.

After there is a creative line, if the masses do not understand it or do not carry it out, how can that creative policy be made part of life?

Therefore, the task of organizing and proselytizing the masses must be renovated. Resolution 8B of the Central Committee, Sixth Term, devoted much attention to that renovation. The localities and mass organizations have made progress in carrying out Resolution 8B, but in many places still do not remember the teaching of Uncle Ho: "Make the people the foundation." There still exists the situation of bureaucratism, authoritarianism, and aloofness from the masses. The vices of corruption and bribery have not been overcome. In many places the mass organizations have not yet renovated their organization and working methods, but still operate in the style of bureaucrats, at a time when organizations with bad intentions are seeking ways to win over and control the people.

The matter of "making the people the foundation" is a very pressing problem, which at present and from now on our cadres and party members must regard as one of the basic principles for preserving the nation and developing it so that it can advance with a socialist orientation.

[P.V.] Dear comrade adviser, as a person who led the launching of, and was concerned with guiding, renovation, please briefly evaluate what has been accomplished and what must receive attention in order to promote renovation in the future.

[Linh] The Seventh Party Congress and the national Mid-Term Conference of the Seventh Congress concluded that "The great renovation undertaking of our country has achieved very important initial accomplishments" and brought forth initial experiences regarding renovation. However, our country's revolution is still facing the perils of falling behind even more economically, straying from socialism, peaceful evolution, and increasing corruption and blackmarketing.

I believe that in the Seventh Party Congress we were right in making such an evaluation, but today the situation has undergone a favorable development. The coming Eighth Party Congress must make a more profound recapitulation of the 10 years of renovation that have passed. It must specifically delineate a way to satisfactorily resolve the problems that have arisen in the renovation process, such as the theory regarding the path of building socialism that is appropriate to the tradition and characteristics of Vietnam and developing a multi-component economy, but ensuring the leading role of the state economy and developing the superiority of the state enterprises in production as well as in circulation and distribution. A market mechanism must be implemented, but under what kind of state management? What will be the role of planning in a multi-component economy and market competition? As for the matter of state capitalilsm, as set forth by Lenin, how should it be organized and implemented in Vietnam in order to be appropriatwe? How should the encouragement of investment and the expansion of joint ventures with foreign countries be managed to develop production in Vietnam and maintain our independence and sovereignty? How can we limit the increasingly greater gap between rich and poor and overcome the increasingly greater disparity among the components of the population and between the fertile delta areas and the jungle-and-mountains areas and the ethnic minority areas? How can we manage and effectively stop the harm done by decadent culture when we open the door to international commerce?

Those are only the main problems. There are also many other problems regarding security and national defense, the organization of apparata, the training of cadres with regard to civilian proselyting, the party work, etc., which must be studied and resolved in order to develop renovation even better.

[P.V.] Dear comrade adviser, do you have any advice for domestic and foreign businessmen in the great undertaking of industrializing and modernizing the nation?

[Linh] The goal of our renovation is to achieve the slogan of a rich people, a strong country, and a just and civilized society that has a socialist orientation.

In that regard, the program for developing the nation in the period of transition to socialism clearly stated: "To attain the goal of a rich people and strong country that follow the socialists path, the mosts important thing is to fundamentally change the situation of an underdeveloped social economy and defeat the forces impeding that progress, especially the hostile powers that oppose national independence and socialism."

As regards foreign policy, the Seventh Party Congress also stated, "We advocate equal and mutually beneficial cooperation with all countries, no matter what their policical and social systems, on the basis of the principle of peaceful coexistence."

As regards foreign economic relations, we advocate "Diversifying and multilateralizing economic relations with all nations and all economic organizations, on the basis of respecting independence, sovereignty, equality, and mutual benefit."

Toward all domestic and foreign economic organizations, we "encourage and ensure that all organizations and individuals may invest with confidence by buying stocks and bonds, to enable Vietnamese living abroad to invest in economic development" (Strategy to stabilize and develop the economy and society to the year 2000).

Therefore, with regard to foreign businessmen we encourage them to invest to develop production in Vietnam and apply new, modern technology in building the infrastructure and construction projects that require high quality and a large amount of capital, which we are not now capable of supplying. Of course, both sides should benefit.

We will create favorable conditions for them with regard to procedures in order to develop production in our country, while also requesting them to operate in accordance with our country's laws, correctly observe the Labor Law, pay appropriate wages, and do a good job of implementing the labor insurance systems for workers.

With regard to businesses in Vietnam, we encourage the development of a multi-component economy, including the private capitalist economy. Everyone is free to do business in accordance with the laws. Their right to ownership and lawful income is guaranteed,a nd they may cooperate in business and compete with one another equally before the law.

Businesses may borrow foreign capital to invest, provided they fully guarantee that they will pay their debts and obtain advanced technology.

We very much want the businesses in Vietnam to manifest dynamism and creativity, continually improve and upgrade product quality, fulfill well the needs of the market in Vietnam and also be capable of competing with imported goods, replace imported foreign goods, and win a solid position on the world market.

I would like THOI BAO KINH TE VIETNAM to convey my wish to domestic and foreign businesses that they prosper, cintinue to attain the goal of a rich people and a strong nation, advance to a modern status in a society in which the people are the masters, which is humane, cultured, disciplined, and no longer oppressed and unjust, thus creating conditions for everyone to have a well-off life, freedom, and happiness, as Uncle Ho desired.

Essay Praises Solution to FULRO Problem

BK2207145595 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 30 Jun 95 p 2

[Essay by Nguyen Khac Duc: "A Basic Solution to the FULRO Problem in the Western Highlands: An Important Success in Safeguarding National Security"]

[FBIS Translated Text] A roundtable debate on the campaign to resolve the FULRO [United Front for the Struggle of the Oppressed Peoples] problem in the Western Highlands was organized in Da Lat on 24 June by General Department I of the Ministry of the Interior. Attending the debate were many representatives of units and localities taking part in that campaign.

The Western Highlands has a very strategic position in economic, political, and security considerations. It has a population of about 2 million, of whom 54 percent belong to ethnic minorities. The Western Highlands served as one of the revolutionary bases during the two wars of resistance against foreign aggression. It was for this very reason that hostile forces showed great interest in the Western Highlands and resorted to dark schemes to serve their long-term goal of undermining the revolution in our country.

FULRO was a reactionary organization whose leaders tried to enlist the participation of ethnic minorities in the Western Highlands. It was supported and fostered by colonialist and imperialist forces. The organization was formed on 20 September 1964 and served as a venue for rallying reactionary organizations among ethnic minorities, including the BAJARAKA movement in the Western Highlands, the Front for the Restoration of the Cham Nation, and the Front for the Khmer Crom Struggle. In reality, FULRO was a reactionary organization set up by a number of lackeys of hostile forces under the cover of an "autonomous nation" to deceive, instigate, and rally compatriots of ethnic minority groups in the Western Highlands and turn this region into a base to undermine the revolution. This was also part of the "divide and rule" policy of the colonialist and imperialist forces. As a result, FULRO was turned into an effective instrument for hostile forces to oppose the Vietnamese revolution and people.

In 1965, the reactionary FULRO clique seriously disintegrated due to the setbacks of the violent disturbances prior to 1964. A number of its members moved to Cambodia and set up bases to await an opportunity to resume operations. Following the signing of the Paris agreement on Vietnam in 1973, FULRO again became an important "postwar" trump for foreign forces to carry out their strategies. In late 1973, a foreign intelligence agency assigned an adviser to work directly with FULRO to establish the so-called "Highland Provisional Revolutionary Government of Southern Indochina" and work out a plan to recruit tens of thousands of men to increase its numerical strength.

In late 1975 FULRO stepped up propaganda activities to recruit ethnic minority compatriots, officials of the old regime, and personnel of the puppet army. It increased its ranks to about 10,000 men.

In March 1975, our great spring general offensives led to the liberation of the Western Highlands and FULRO members were requested to report to the revolution. Nonetheless, acting in line with a premeditated scheme, they fled to the jungles, set up bases, consolidated their ranks, and gathered weapons left behind by the puppet army. FULRO administrative and military organizations from upper to lower levels were formed.

Taking advantage of the post-liberation time in the south when the new administration was not consolidated yet, the FULRO clique conducted military activities, instigated violent disturbances, launched artillery attacks, and committed terrorist activities in many localities, including Di Linh and Phu Bon. They killed cadres and civilians, resorted to threats, and exerted control over many hamlets and villages in the Western Highlands, thus causing political instability and social disorder in many areas.

To firmly maintain public security and order, we mobilized some units of our armed forces to crack down on both puppet remnant troops and FULRO members, exterminating or capturing thousands of them and seizing many weapons and ammunitions. Nonetheless, a number of remnant FULRO members stubbornly fled to the jungles and assembled forces to carry on their counterrevolutionary activities and threaten the lives and activities of our compatriots in the Western Highlands and the surrounding provinces like Thuan Hai, Phu Khanh, Nghia Binh, Dong Nai, and Song Be.

Being attacked continuously from 1980 to 1984 and acting under the instructions and with the assistance of foreign intelligent agencies, the remnant FULRO members moved to the border of Laos, Thailand, and Cambodia to set up their bases. They were supplied with new weapons and communication equipment and received training under the strategy outlined by the forces hostile to Vietnam. Some FULRO leaders were sent to a third country. Others were left to look after "the National Defense Ministry," "the General Staff," "the Second Military Region," and "the Third Military Region." They established a base in the jungle of Mondolkiri Province in Cambodia with about 230 troops. Some 300 other FULRO members stayed back in Vietnam and divided themselves into two groups to operate mainly in the two provinces of Dac Lac and Gia Lai-Kon Tum.

In 1990-1992, after they had faced heavy attacks and been chased out of their bases, hundreds of FULRO members had to flee to Cambodia. Without food supplies, starvation and sickness brought them to the point of desperation. Their leaders had to contact UNTAC [UN Transitional Authority in Cambodia] to surrender and declare that they were giving up their activities. With the acceptance of the U.S. Government, UNTAC sent 398 FULRO members (including women and children) to settle in North Carolina in the United States.

The fighting to solve the FULRO problem was difficult and sacrificial. We determined that our conception, direction, policy, and measures in dealing with this problem had to be channeled through public motivation together with the professional service of the people's security sector.

Party committees at all levels, local authorities, and the people's security forces fully understood and correctly executed the conception and launched several public campaigns, built grassroots organizations, increased production, and promptly applied the party's ethnic policy, thereby making progress toward a solution of the FULRO problem. Thuan Hai was the first province to successfully solve the FULRO problem in 1978.

The people's security forces outlined positive and creative fighting plans. They successfully trapped the enemy fighting among themselves, as in the F101 case of Lam Dong, the F384 case in Dac Lac, the F990 case, and so forth. Many cadres and units, including Fallen Hero Lam Van Thanh, have been decorated by the party and state for their outstanding achievements in fighting and solving the FULRO problem.

During the 17 years of continuous fighting with numerous difficulties and sacrifices, the people's security forces worked closely with the Armed Forces and people in the Western Highlands to totally eliminate FULRO in Vietnam.

Representatives of the roundtable debate highly evaluated the solving of the FULRO problem. This is a victory of great political significance that strengthens the national unity bloc and maintains the Western Highlands ethnic people's trust in the party and state so that they can conduct their business in peace and positively participate in the construction and development of the economy, culture, and society in the Western Highlands.

Through the struggle to reach a solution of the FULRO problem in the Western Highlands, the security forces also learnt many precious lessons on the party's conception, ethnic policy, and directives to creatively apply and correct the relationship between a political solution and other measures, including measures to motivate the public taking part in the protection of national security.

Interior Ministry Issues Basic Weapons Rules

BK2407135595 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 23 Jul 95

[FBIS Translated Text] Interior Minister Bui Thien Ngo recently signed a decision promulgating the regulation on authorized possession of rudimentary weapons and supporting instruments by certain sectors.

According to the decision, rudimentary weapons namely compressed-air rifles, bows and cross-bows, daggers, bayonets, swords, and other supporting instruments such as electric whips and tear gas grenades are allowed to be held in possession only by members of the Army, police force, inspection teams against smuggling and market disturbances, and patrol units of the people's forestry preservation force.

All organizations and individuals who do not have permission from the Ministry of Interior or the police command of provinces and municipalities directly subordinate to the central government are prohibited from producing, repairing, trading, keeping, exporting, importing, transporting, and using rudimentary weapons and supporting instruments.

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